Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Money and Banking Statistics Explanatory Notes

(Updated August 2022)

General

The *Money and Banking Statistics* (Tables A.1 – A.13) contain data on the liabilities and assets of within-the-State offices of credit institutions, as collected under European Central Bank Regulation ECB/2021/2. These data are further broken down by institutional sector and residency of counterparties and by the type and maturity of the main asset (loans, holdings of securities) and liability instruments (deposits, securities issued) of interest. This allows for analysis of the underlying components of the monetary aggregates (e.g. deposits), as well as the counterparts to money (e.g. loans). The monthly Financial Statement of the Central Bank of Ireland is also included in this suite of tables. The credit institutions data are released on the last working day of the month with reference to the last working day of the previous month. The Financial Statement of the Central Bank is released on the second working Friday of the month, with reference to the last Friday of the previous month.

The reporting population which is covered in these tables are all credit institutions resident in Ireland. 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. In the Irish case, resident credit institutions comprise licensed banks, building societies and, since January 2009, credit unions as regulated by the Registrar of Credit Unions. 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 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.

The residency classification for counterparties conforms to international balance of payments convention. The tables presented here illustrate the main asset and liabilities position of resident credit institutions vis-à-vis Irish residents, residents of other euro area member states, and residents of non-euro area states. Irish residents comprise the General Government, individuals living in the State for at least one year, private non-profit making bodies, and enterprises, both public and private, which operate within the State.

Counterparties are further classified by their institutional sector, as defined in the European System of Accounts 2010 (ESA 2010):

- **General Government** refers to entities which are under public control that are principally engaged in the production of non-market goods and services intended for individual and collective consumption and/or in the redistribution of national income and wealth. They are mainly financed by compulsory payments by the population. General Government can be further sub-divided into central government and other general government. Central government comprises all administrative departments, agencies, foundations, institutes and similar state bodies, whose competence extends over the whole economic territory. Other general government comprises state/regional/local government administrative departments and agencies etc. whose competence covers only a restricted part of the economic territory, and social security funds.
- **Households** refer to individuals or groups of individuals acting as (i) consumers; (ii) producers of goods and non-financial services exclusively intended for their own final consumption and (iii) small-scale market producers (such as sole proprietorships and partnerships without independent legal status, usually drawing on their own labour and financial resources). Non-profit institutions serving households (NPISHs) are included in this broad institutional sector and are defined as separate legal units which are principally engaged in serving particular groups of households and the main resources of which derive from occasional sales, voluntary contributions, occasional financing by general government and property income.
- **Insurance Corporations (ICs)** refer to financial corporations and quasi-corporations which are principally engaged in financial intermediation as a consequence of the pooling of risks, mainly in the form of direct insurance or reinsurance. This includes life and non-life insurance activity.
- **Pension Funds (PFs)** refer to financial corporations and quasi-corporations which are principally engaged in financial intermediation as a 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. Only pension schemes with autonomy of decision-making and with a complete set of accounts are included here. Other pension funds, which remain part of the entity which set them up, e.g., company pension funds, are not included here.
- **Monetary Financial Institutions (MFIs)** refer to credit institutions, as defined in Community Law, money market funds, and other resident financial institutions whose business is to receive deposits and/or close substitutes for deposits from entities other than MFIs, and, for their own account (at least in economic terms), to grant credits and/or to make investments in securities. Since January 2009, credit institutions include Credit Unions as regulated by the Registrar of Credit Unions. Under ESA 2010, Money Market Funds as well as the Eurosystem (including the Central Bank of Ireland) and other non-euro area national central banks are included

in the MFI institutional sector. In the tables presented here, however, central banks are not included in the loans and deposits series with respect to MFI counterparties.

- **Affiliated Deposit-Taking Corporations (DTCs)** refer to all credit institutions and other deposit-taking corporations which are affiliated with the reporting institution.
- **Non-Financial Corporations (NFCs)** refer to all private and public institutional units, i.e. corporations and quasi-corporations, which are active in the production of goods and non-financial services with the object of generating profit. In Ireland, commercial State-sponsored bodies are included in this institutional sector.
- **Other Financial Intermediaries and Auxiliaries (OFIs)** refer to financial corporations and quasi-corporations (except insurance corporations and pension funds and non-MMF investment funds) principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and/or close substitutes for deposits from institutional units other than MFIs, or insurance technical reserves. Also included are financial auxiliaries consisting of all financial corporations and quasi-corporations that are principally engaged in auxiliary financial activities. This sector includes non-bank credit grantors, investment funds, treasury companies, hire purchase companies, securities and derivative dealers and financial vehicle corporations (FVCs).
- **Non-MMF Investment Funds** refer to collective investment schemes, other than Money Market Funds (MMFs) that issue shares/units which are not close substitutes for deposits, and, on their own account make investments primarily in financial assets other than short-term financial assets and non-financial assets. They include undertakings whose units or shares are, at the request of the holders, repurchased or redeemed directly or indirectly out of the undertaking's assets; and undertakings which have a fixed number of issued shares and whose shareholders have to buy or sell existing shares when entering or leaving the fund.
- **Financial Vehicle Corporations (FVCs)** are securitisation vehicles. An FVC is defined in Article 1 of Regulation ECB/2013/406. An excerpt of this states that an FVC, means an undertaking: a) whose main function is to carry out one or more securitisation transactions, the structure of which insulates the FVC from the credit risk of the originator, or the insurance or reinsurance undertaking; and b) which issues securities that are offered for sale to the public or sold on the basis of private placements.

In some cases the totals in the tables may not equal the sum of their constituent parts due to rounding. Recent data are often provisional and may be revised in the future. In the tables, the wording "up to (x) years" means "up to and including (x) years". The maturity breakdown of the various asset and liability instruments in the *Money and Banking Statistics* refers to original maturity and not residual maturity. The data presented in the *Money and Banking Statistics* are neither seasonally nor working day adjusted. The use of the term “private-sector” generally refers to the non-MFI, non-government sectors (i.e. OFIs, ICs, PFs, non-MMF investment funds, NFCs and households). The following symbols are used in the tables:

n.a.	not available
. .	no figure to be expected
-	nil or negligible

The *Money and Banking* tables presented here have three components for most series:

1. Outstanding amounts
2. Monthly transactions
3. Annual rates of change

1. ***Outstanding amounts*** refer to the assets and liabilities position recorded on the last working day of the period. All non-euro liabilities and assets, regardless of residency classification, are valued at mid-spot rates on the last working day of the period and recorded as euro equivalents of the amounts outstanding on those days. The valuation of liabilities and assets would not normally include accrued interest payable or receivable on relevant accounts, nor would it include unearned interest charges. However, where a liability or asset is valued at market price which indistinguishably includes interest, such accrued interest may form part of the valuation; where interest is paid by means of discount, such interest may also be included in book value, if it is the accounting practice of reporting institutions to do so. As of December 2010, the outstanding amount of loans is reported at nominal value, i.e. the gross position owed on loans by the credit institutions counterparties. Prior to December 2010, the book value of loans is reported, which reflects the carrying value of these loans on credit institutions balance sheets and are net of impairment provisions recognised against those loans. As a result, the outstanding amount of loans and related series increased substantially in December 2010. The underlying transactions and growth rates in loans when comparing December 2010 with previous periods have been corrected to adjust for the impact of this change in methodology and reflect underlying business activity.
2. ***<u>Monthly transactions</u>*** are calculated from monthly differences in outstanding amounts adjusted for reclassifications, other revaluations, exchange rate variations and any other changes which do not arise from transactions. If L_t^{OBS} represents the outstanding amount on the credit institutions balance sheet at the end of month t, C_t the

reclassification adjustment in month t, E_t the exchange rate adjustment and V_t the other revaluation adjustments, the transactions in the period, F_t, are defined as:

$$F_t = (L_t^{OBS} - L_{t-1}^{OBS}) - C_t - E_t - V_t$$

Reclassifications (C_t) comprise any change in the balance sheet of the credit institutions that arises due to changes in the reporting population, corporate restructuring, reclassification of assets and liabilities, the correction of long-standing reporting errors, or changes in reporting methodology or accounting practices. The occurrence of these factors gives rise to breaks in the series and, hence, affects the comparability of successive end-of-period outstanding amounts.

Foreign-exchange revaluations (E_t) comprise any change in the value converted into euro of balance sheet items originally denominated in foreign currency that arises due to changes in the exchange rate of the euro. A change in the exchange rate of the euro affects the euro value of these items, in addition to actual transactions.

Revaluations (V_t) comprise any change in the balance sheet of credit institutions that arises due to changes in the market price of marketable securities held, sold or issued and the (partial) removal from the balance sheet of loans that are subject to write-offs or write-downs. A change in the market value of securities held, sold or issued by credit institutions affects the outstanding book value of securities, in addition to actual transactions in these securities. A write-off or write-down of loans has an impact on the reported book value of the outstanding amount of loans, but is not related to a change in the amount of credit institutions financing to the economy. Prior to December 2010, the outstanding amounts of loans are valued net of impairment provisions recognised against them. Consequently any changes in the level of impairment provisions also impacts the comparison of successive end of period outstanding amounts up to November 2010, and such changes in the level of impairment provisions are also removed in calculating transactions to that point. As of December 2010 the outstanding amount of loans is reported at nominal value, i.e. the gross position owed on loans by the credit institutions counterparties and does not exclude impairment provisions. Accordingly, from December 2010 there is no longer any need to include changes in the level of impairment provisions in determining the revaluation adjustment.

In the case of loans series, transactions are calculated by further removing the **net flow of loans securitised or otherwise transferred, S_t**, during the period:

$$F_t = (L_t^{OBS} - L_{t-1}^{OBS}) - C_t - E_t - V_t - S_t$$

3. Annual rates of change, a_t, for each period, i.e. the change in the 12 months ending in period t, are calculated using the transactions defined above using the following formula:

$$a_t = \left[\prod_{i=0}^{11}\left(1 + F_{t-i}^{M} / L_{t-1-i}^{OBS}\right) - 1\right] \times 100$$

Growth rates for intra-annual periods can be derived by adapting the annual formula. For example, the month-on-month rate of change, a_t^m can be calculated as

$$a_t^m = \left(F_t^M / L_{t-1}^{OBS}\right) \times 100$$

Glossary of Instrument Categories

Accrued Interest on lending is interest receivable on loans.

Credit refers to the sum of loans issued by and securities (both debt and equity) held by resident credit institutions. In calculating private-sector credit the value of accrued interest is also included.

Currency in circulation comprises the Central Bank of Ireland's share of euro banknotes issued in the Eurosystem, in proportion to the Bank's paid-up shares in the capital of the ECB, plus coin issued by the Central Bank less holdings by within-the-State offices of MFIs of issued euro banknotes and coin.

Debt securities issued comprise funds received in exchange for non-equity debt securities issued by the reporting institution. Such instruments are usually negotiable and traded on secondary markets, and do not grant the holder any ownership rights over the issuing institution. All non-equity bearer securities which have been issued by resident credit institutions are included here, e.g., all commercial paper, certificates of deposit, notes and bonds which have been issued.

Deposits are amounts owed to creditors of resident credit institutions other than those arising from the issue of negotiable securities, and are broken down by various categories:

- *Overnight deposits* are convertible into currency and/or are transferrable on demand without significant delay, restriction or penalty. This would include current accounts and demand deposit accounts.
- *Repurchase agreements* are the counterpart of cash received in exchange for securities sold by resident credit institutions at a given price under a firm commitment to repurchase the same (or similar) securities at a fixed price on a specified future date. Funds received under sale/buy-back transactions are also included.
- *Agreed maturity deposits* are non-transferable deposits which cannot be converted into currency before an agreed fixed term or which can only be converted into currency before that agreed term provided that the account holder is charged some kind of penalty.
- *Redeemable at notice deposits* are defined as non-transferable deposits without any agreed maturity, which cannot be converted into currency without a period of prior notice, before the term of which the conversion into cash is not possible, only with a penalty. They include deposits, which, although perhaps legally withdrawable on demand, would be subject to penalties and restrictions and investment accounts without period of notice or agreed maturity, but which contain restrictive drawing provisions.

Loans are defined as funds lent by credit institutions to borrowers, which are not evidenced by documents or are represented by a single document (even if it has become negotiable). Loans to the household sector are further broken down by:

- *Loans for consumption purposes* includes loans granted for the purpose of personal use in the consumption of goods and services. Credit for consumption granted to sole proprietors/unincorporated partnerships is included in this category, if the loan is predominantly used for personal consumption purposes and not for lending for house purchases
- *Loans for house purchase* includes loans secured on residential property that are used for the purpose of house purchase and, where identifiable, other loans for house purchase made on a personal basis or secured against other forms of assets. Housing loans granted to sole proprietors/unincorporated partnerships are included in this category unless the loan is predominantly used for business related purposes, in which case it is reported as loans for other purposes. Loans for house purchase includes bridging loans.

- *Loans for other purposes* includes loans such as business loans, debt consolidation, education, etc; this category may include loans for consumption purposes to sole proprietors/unincorporated partnerships if these are not reported under the category ‘loans for consumption’.

Money market fund (MMF) shares/units are securities held by credit institutions which are issued by MMFs. MMFs are collective investment undertakings that issue shares/units which are, in terms of liquidity, close substitutes for deposits, and primarily invest in money market instruments and/or in MMF shares/units and/or in other transferable debt instruments with a residual maturity of up to and including one year, and/or in bank deposits, and/or which pursue a rate of return that approaches the interest rates of money market instruments.

Debt Securities Held are negotiable securities held by resident credit institutions and are usually traded on secondary markets, or can be offset on the market, and which do not grant the holder any ownership rights over the issuing institution.

Shares and Other Equity are securities held by resident credit institutions which represent property rights in corporations or quasi-corporations. These securities generally entitle the holders to a share in the profits of corporations or quasi-corporations and to a share in their own funds in the event of liquidation. Mutual fund shares (other than money market fund shares/units) are included here.

Notes to Specific Tables

Table A.1 provides a summary table of credit advanced to Irish private sector residents broken into sectors and also a table with a sectoral breakdown of Irish private sector deposits.

Table A.2 presents the financial statement of the Central Bank of Ireland. This table includes, inter alia, lending to Irish and other euro area resident credit institutions (main refinancing operations; longer-term refinancing operations, fine-tuning reverse operations, structural reverse operations,; marginal lending facility; credits related to margins calls) and liabilities to euro area credit institutions (minimum reserve system current accounts; deposit facility; fixed-term deposits; deposits related to margin calls; fine-tuning reverse operations) as a result of Eurosystem monetary policy operations.

Tables A.3-A.3.1 provides tables on the Irish contribution to the euro area money supply and also on the Irish resident money supply. Table A.3 summarises the Irish Contribution to M1, M2 and M3 components of the euro area money supply, which includes deposits in Irish resident credit institutions by other euro area private-sector residents. M1 includes currency in circulation and overnight deposits. M2-M1 includes deposits with agreed maturity up to 2 years, deposits redeemable at notice up to 3 months and deposits with the Post Office Savings Bank. M3-M2 includes repurchase agreements and debt securities with a maturity of up to 2 years issued by resident credit institutions to Irish and other monetary union resident private-sector entities minus holdings by resident credit institutions of securities issued by euro area MFIs. It also includes MMF shares/units issued by Irish resident MMFs to Irish and other euro area residents. Table A.3.1 presents the Irish resident money supply i.e. M1 and M2. This table excludes the deposits of other euro area residents, which form part of the total Irish contribution to euro area money supply in Table A3.

Tables A.4-A.4.2 shows the aggregated balance sheet for within-the-State offices of credit institutions in the following groups:

A.4 – All Resident Credit Institutions

A.4.1 – Domestic Market Group: Institutions whose ultimate parent entity is resident in Ireland, or which have a significant (>20%) level of business with Irish households and non-financial corporations in terms of their overall resident business activity.

A.4.2 – Irish-Headquartered Group: Institutions whose ultimate parent entity is resident in Ireland.

A full list of credit institutions resident in the Republic of Ireland, as well as the subset of institutions that comprise the Domestic Market Group, are available in the Credit, Money and Banking section of the Central Bank website.

The main asset and liabilities reported in Table A.4, A.4.1 and A.4.2 have the same definition as applied in the remaining *Money and Banking Statistics* tables. Remaining assets would include, inter alia, accrued interest receivable, sundry debit items such as: prepayments or debit balances on operating accounts of resident credit institutions such as salaries, wages, rent, rates, stationery, heating and lighting, insurance, stamp duty, PAYE, VAT, etc.; any net claim on non-resident offices, premises, equipment, furniture, fixtures and fittings, company cars, etc., owned by the institutions for their own use (net of accumulated depreciation). Capital and Reserves comprise all capital (including capital contributions, i.e., payments into the reserves of a reporting institution by its parent for no consideration, which are not repayable except at the option of the reporting institution), reserves (except taxation reserve), accumulated retained profits, preference shares and subordinated loan capital, including floating rate notes feature on the liabilities side. Remaining liabilities include, inter alia, accrued interest payable, taxation provisions and reserves, sundry credit items such as: accrued expenses or net credit balances on accounts relating to the operating costs of the credit institution such as salaries, wages, rent, rates, stationery, heating and lighting, insurance, stamp duty, PAYE, VAT, etc.; any gross credit balances on impersonal accounts not relating to customers' funds; any leasing rentals paid in advance by customers; any commissions and any net liability to non-resident offices.

Tables A.5-A.5.1 provide analysis, broken down by sector, type and original maturity, of loans advanced to the Irish private sector granted by within-the-State offices of credit institutions.

Table A.6 gives the breakdown of loans issued by within-the-State offices of credit institutions, on balance sheet and securitised/otherwise transferred to a non-MFI, to Irish resident households. Loans securitised/otherwise transferred to a non-MFI include the outstanding amount of loans transferred to the National Asset Management Agency and other loans securitised/transferred by the originating credit institution and continue to be serviced by that credit institution. Please note that following a change to the ECB Regulation governing Balance Sheet Item statistics, the majority of securitised loans remain reported on balance sheet i.e. within tables such as A.1 and A.4. Therefore table A.6 was discontinued due to loss of relevance and confidentiality of data concerns.

Table A.7 provides detail on loans advanced to other euro area residents broken down by sector, type and original maturity, as well as loans to non-euro area residents with a sectoral breakdown.

Tables A.8-A.9 provides analysis of within-the State offices of credit institutions holdings of securities issued by Irish residents, other euro area residents and non-euro area residents broken down by instrument and sector.

Table A.10 provides data on private-sector credit (PSC) advanced by within-the-state offices of credit institutions to Irish residents broken down by instrument/type. Lending to non-MFI IFSC companies are excluded from the outstanding amount of PSC. Non-MFI IFSC companies are financial services companies whose primary role is in supplying financial services to non-residents and have, therefore, little interaction with the domestic economy.

Tables A.11, A.11.1, A.12.1, and A.12.2 provide analysis broken down by type, sector and original maturity of Irish resident deposits and a breakdown by sector and residency of non-resident deposits held at within-the-State offices of credit institutions.

Tables A.5 to A.12.2 include data on transactions, which are derived as differences in outstanding amounts adjusted for reclassifications, revaluations, exchange rate variations and any other changes that do not arise from real business transactions. Growth rate data are also provided based on the corresponding transactions in the form of annual percentage changes. **Tables A.1-A.13** analyse data which is compiled on a monthly basis.

Table A.13 provides statistics in relation to credit and debit card transactions, including a sectoral breakdown of expenditure, E-commerce, spending outside Ireland, and data pertaining to the role of debit cards. The table also provides a breakdown of the number of credit/debit cards currently issued to Irish residents.