



Domestic banks¹ claims on foreign residents increased by €2.9 billion (3.6 per cent) on a quarterly basis at end-March 2019, bringing the outstanding amount of claims to €84.9 billion. Domestic banks' largest foreign claims continued to be on the United Kingdom (UK), accounting for 63 per cent of total claims at end-March 2019. The UK contributed the largest proportion of the quarterly increase, rising by €993 million (1.9 per cent). Claims on the United States and France rose by €717 million and €671 million, respectively over the quarter to end-March 2019.

Table 1: Overview of Foreign Claims by Country & Sector, end-March 2019

	Q1 2019		Change in Quarter	
	€ million	% of total	€ million	% change
<i>By country</i>				
United Kingdom	53,434	63.0%	993	1.9%
United States	7,396	8.7%	717	10.7%
France	4,606	5.4%	671	17.1%
Spain	2,846	3.4%	106	3.9%
Netherlands	1,894	2.2%	43	2.3%
International organisations ²	2,713	3.2%	-17	-0.6%
Rest of World	11,970	14.1%	424	3.7%
Total	84,859	100%	2,938	3.6%
<i>By sector</i>				
Banks	11,708	13.8%	1,067	10.0%
Official Sector	14,681	17.3%	-773	-5.0%
Non-Bank Financial Institutions	5,794	6.8%	49	0.9%
NFCs	23,744	28.0%	1,106	4.9%
Households	28,931	34.1%	1,489	5.4%

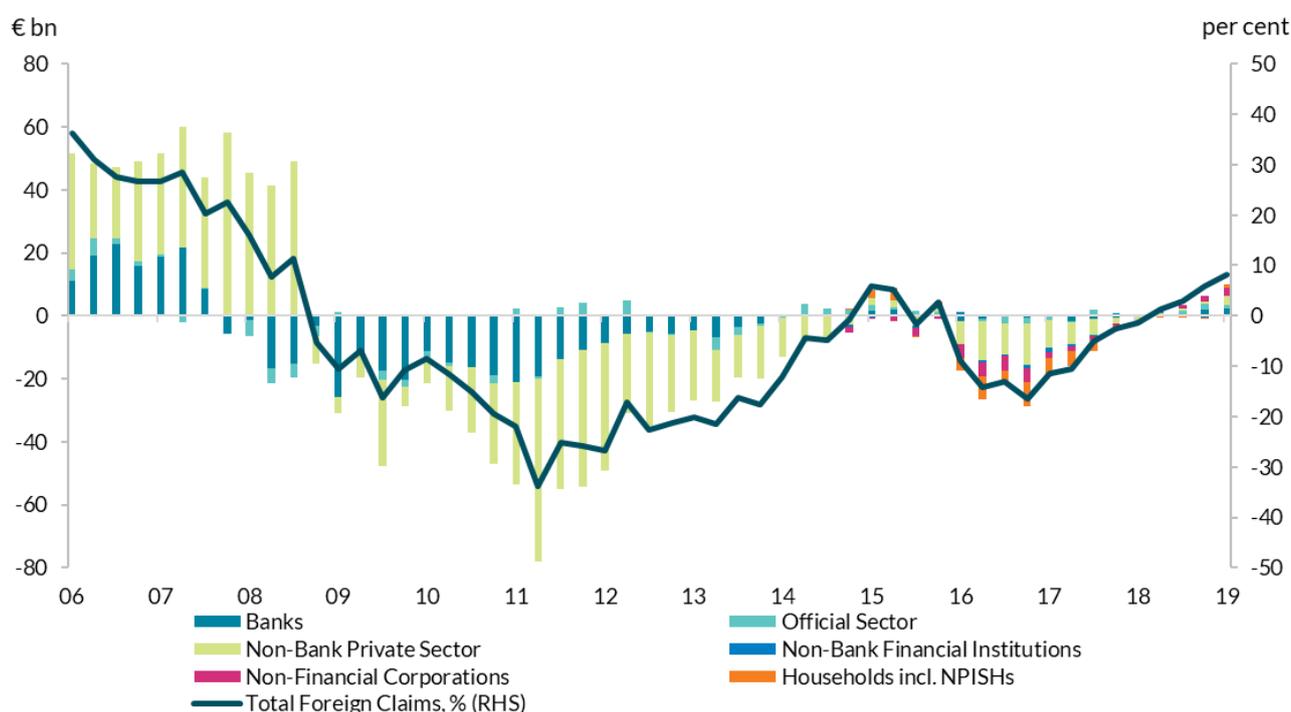
¹ In this case, the Central Bank of Ireland defines *domestic banks* as those banks whose ultimate parent entity is resident in Ireland.

² International Organisations are considered to be resident in an economic territory of their own and not in the country where they are physically located.

Developments in Foreign claims by Sector

- All sectors, with the exception of the official sector, recorded increases in claims over the quarter to end-March 2019. The largest of this was in the household sector, which recorded an increase of €1.5 billion (5.4 per cent). The non-financial corporate (NFC) and banks sectors both recorded a quarterly increase of €1.1 billion at end-March 2019. In contrast, the official sector declined by €773 million (5.0 per cent) on the quarter.
- The majority of Irish-resident banks' foreign claims were vis-à-vis the household and NFC sectors, with exposures largely unchanged at 34.1 per cent and 28.0 per cent, respectively. Foreign claims on the official sector (17.3 per cent), banks (13.8 per cent) and non-bank financial institutions (6.8 per cent) as a percentage of total claims remained smaller in comparison.
- On an annual basis, foreign claims rose by €6.4 billion (8.1 per cent) at end-March 2019.

Chart 1: Foreign Claims; annual net flows and annual rate of change³

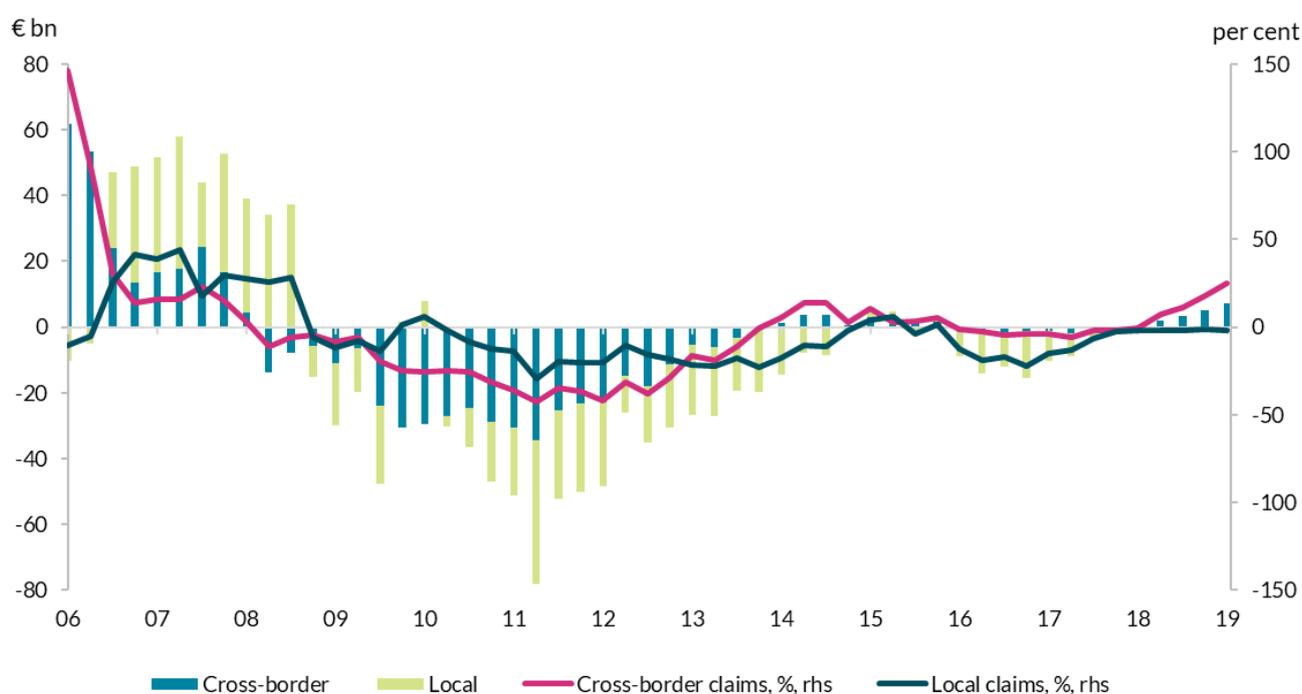


³ From Q4 2013, the non-bank private sector has been broken down further into three sub-categories. However, as this chart uses a four-quarter sum, the breakdown is only available from Q4 2014 onwards. Before this, the non-bank private sector is shown as an aggregate figure.

Developments in Local & Cross-Border Claims

- Local claims⁴ increased by €417 million (0.9 per cent) on the quarter, to €48.7 billion at end-March 2019, which accounted for 57.4 per cent of total foreign claims. On an annual basis, local claims declined by €846 million (1.7 per cent).
- Cross-border⁵ claims rose to €36.2 billion at end-March 2019, following a rise of €2.5 billion (7.5 per cent) over the quarter. In annual terms, cross-border claims recorded its strongest rate of growth since end-September 2006, increasing by 25 per cent (€7.2 billion) at end-March 2019.

Chart 2: Local and Cross-Border claims; annual net flows and annual rate of change



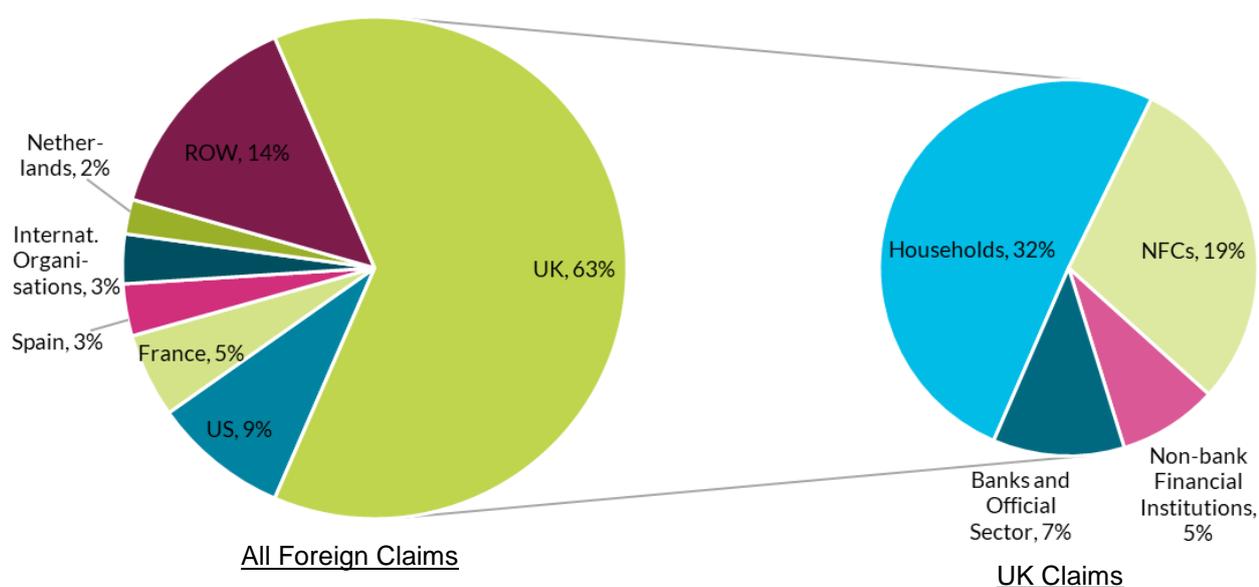
⁴ Local claims are claims where the location of the bank office that books the position is the same as the location of the claim counterpart (e.g. UK subsidiary of an Irish headquartered bank lending to UK resident).

⁵ Cross-border claims refer to claims where the location of the bank office that books the position is different to the location of the claim counterpart (e.g. an Irish bank office lending to UK residents).

Developments in Claims by Location of Counterparty

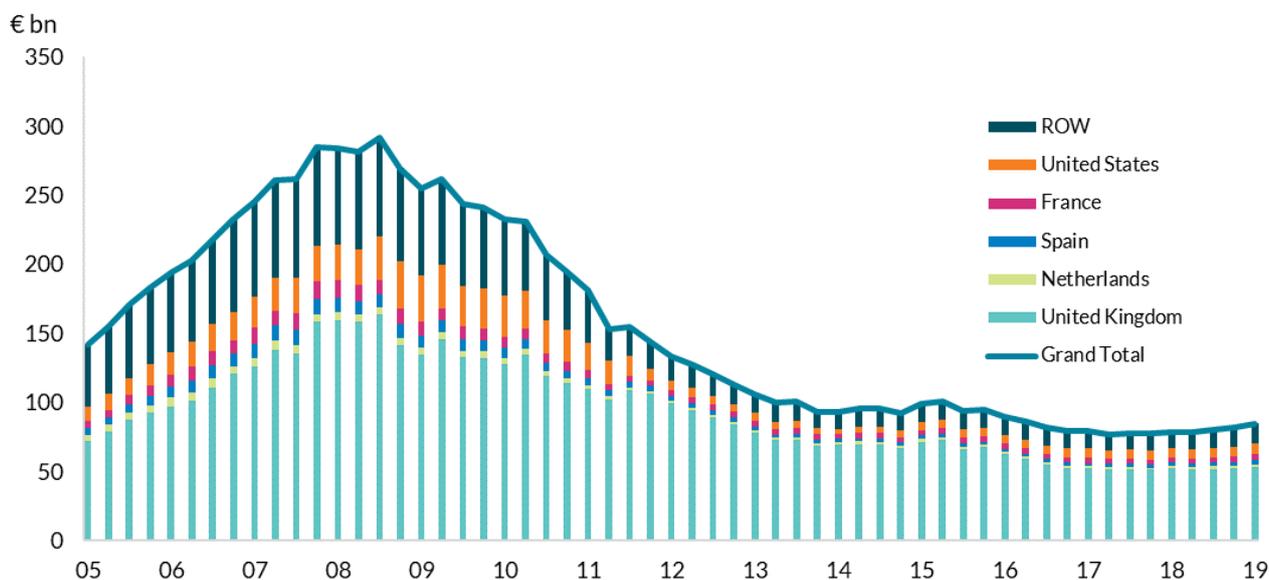
- Domestic banks' largest foreign claims were on the UK (including Northern Ireland), with exposures of €53.4 billion at end-March 2019, an increase of €993million (1.9 per cent) over the quarter.
- This rise in UK foreign claims was predominantly driven by an increase in claims on the household and NFC sectors, rising by €1.4 billion (5.5 per cent) and €633 million (4.2 per cent) respectively, while claims on the official sector declined by €789 million (16.1 per cent).
- Chart 3 shows that claims on the UK are primarily vis-à-vis the household and NFC sectors, which account for 31.9 per cent and 18.6 per cent of all foreign claims, while exposures to banks and the official sector are relatively small in comparison.

Chart 3: Geographical Breakdown of Foreign Claims, end-March 2019



- There was a 17.1 per cent (€671 million) increase in claims on France over the quarter to end-March 2019. Claims on the United States increased by 10.7 per cent (€717 million) on the quarter.
- Spain and the Netherlands were also important locations for the foreign claims of domestic banks at end-March 2019. Foreign claims on Spain experienced an increase of €106 million (3.9 per cent). The Netherlands recorded a rise of €43 million (2.3 per cent).

Chart 4: Locations of Irish Foreign Claims, Outstanding Amounts



Note: The consolidated banking statistics detail the claims of the domestic banks on 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), but differs in coverage, as it refers only to the domestic Irish banks.

The tables can be accessed on the Central Bank of Ireland [website](#). The dataset begins in Q4 2004 and the latest data published relate to end-Q12019.