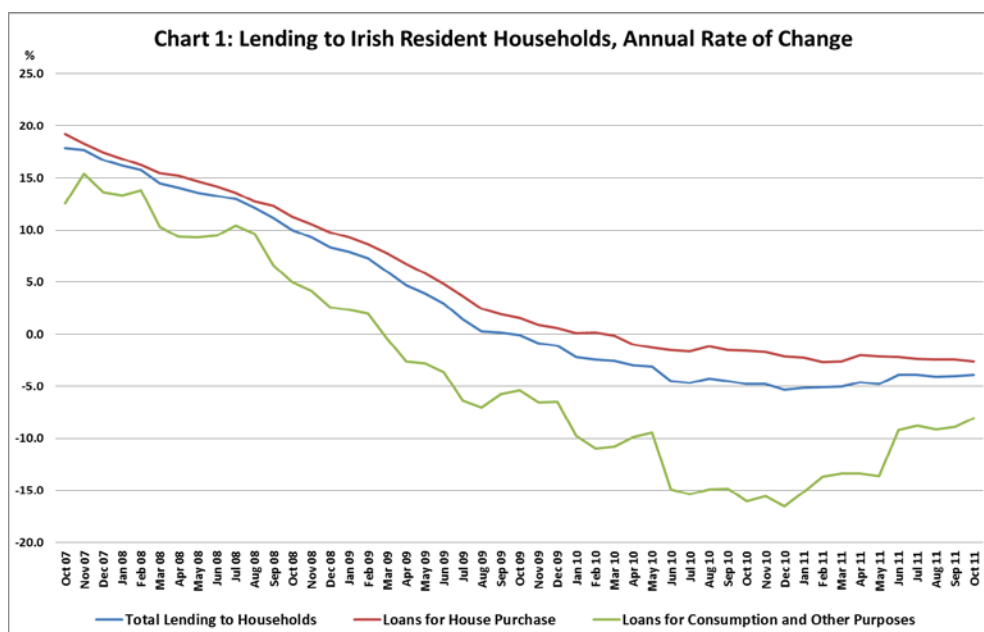




Money and Banking Statistics: October 2011¹

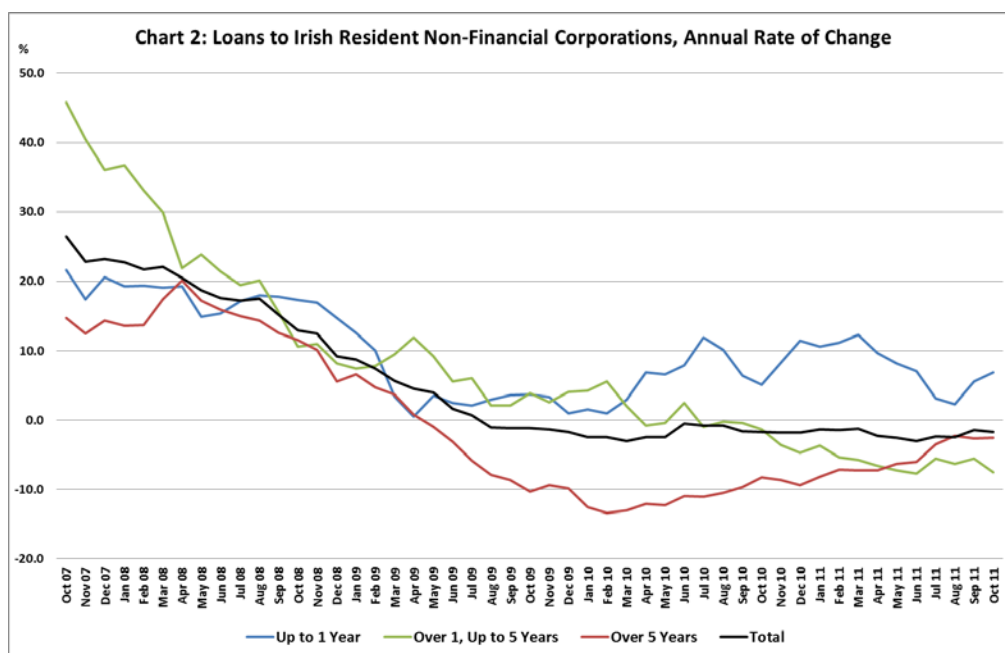
Loans and other credit

- Loans to households continued to decline during October 2011, and were 3.9 per cent lower on a year-to-year basis at end-October 2011, following a decline of 4 per cent for the year ending September 2011. Lending for house purchase was 2.6 per cent lower on an annual basis in October, while lending for consumption and other purposes declined by 8.1 per cent over the same period.
- Household lending fell during October by €14 million, following a net monthly decline of €83 million in September. All categories of lending to households declined over the month, with a reduction of €19 million in loans for house purchase being accompanied by falls of €248 million and €48 million in loans for consumption and other purposes, respectively.



¹ Money and Banking statistics are compiled in respect of business written out of all within-the-State offices of both credit institutions authorised to carry on banking business in the State under Irish legislation and credit institutions authorised in other Member States of the EU operating in Ireland on a branch basis. Credit institutions authorised in other EU Member States operating in Ireland on a cross-border basis, i.e., with no physical presence in the State, are not included in the statistics. A full list of [Credit Institutions resident in the Republic of Ireland](#) is available on the Bank's website. Recent data are often provisional and may be subject to revision. The extensive set of [Money and Banking Statistics](#) tables and compilation details, in [Money and Banking Explanatory Notes](#), are also available on the Central Bank of Ireland website.

- The decline in lending for house purchase during October was €19 million, which relates to underlying business activity during the month. Due to securitisation activity, however, a decline of €17 billion was recorded in loans for house purchase on the credit institutions statistical balance sheet (Table A.1).²
- The monthly net flow of loans to households averaged minus €113 million in the three months ending October 2011, which consists of an average net flow of minus €15 million in loans for house purchase, minus €65 million in loans for consumption purposes, and minus €34 million in lending for other purposes.
- While lending to the non-financial corporate (NFC) sector declined by 1.7 per cent in the year ending October 2011, the decline has been slower than that for the household sector.



- On a monthly basis, loans to NFCs declined by €500 million during October 2011, following a rise of €94 million in September. The monthly net flow of loans to NFCs averaged minus €14 million in the three months ending October 2011, compared with a positive average of €105 million in the three-month period up to end-September 2011.
- Short-term loans to NFCs with an original maturity of up to one year, which includes overdraft facilities, increased during the month by €8 million, following an increase of €48 million in September 2011. Long-term NFC loans with an original maturity of over five years increased by €125 million during October. However, the aggregate developments in loans to NFCs during October were dominated by a fall of €682 million in medium-term loans with an original maturity of over one year and up to five years.

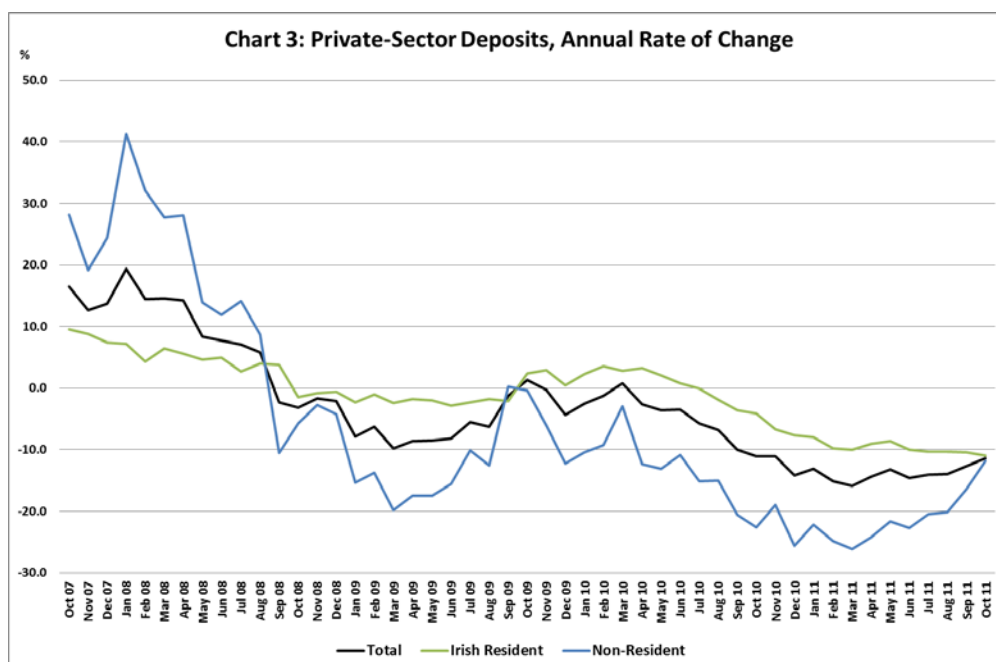
² This is due to a credit institution derecognising loans from the statistical balance sheet that had been securitised, in line with the methodology applied by the reporting population in general. The outstanding amount of loans derecognised from the statistical balance sheet through securitisation that continue to be serviced by Irish resident credit institutions is separately reported in Table A.6.

- There was a continued shift into short-term borrowing by NFCs and on an annual basis, the increase in NFC loans up to one year maturity accelerated again, to 6.9 per cent in October 2011 following a rise of 5.5 per cent in September. The annual rate of change in NFC loans with an original maturity of over five years remained at minus 2.6 per cent. However, NFC lending between one and five years original maturity remained on a downward trajectory, with the annual rate of decline being 7.5 per cent in October following a decline of 5.5 per cent in September 2011.
- Credit institutions' holdings of debt and equity securities issued by the Irish private sector fell by €75 million in October 2011, bringing year-on-year growth in these holdings down to 12.8 per cent. The annual growth in credit institutions' holdings of private-sector securities is largely related to holdings of debt securities issued by other financial intermediaries (OFIs), which includes special-purpose vehicles (SPVs) such as those set up by NAMA. The pace of growth has eased in recent months as the process of transferring loans to the NAMA SPV in return for bonds has ended. Credit institutions' holdings of OFI debt securities increased by 13.5 per cent on an annual basis in October 2011.

Deposits and other funding

- The annual rate of decline in Irish resident private-sector deposits was 11 per cent at end-October 2011, compared with a decline of 10.5 per cent at end-September. Deposits from households were 4.5 per cent lower on an annual basis in October, having declined by 4.7 per cent in the year ending September 2011. NFC deposits declined at an annual rate of 7.8 per cent in October, while deposits from ICPFs and OFIs fell by 25 per cent over the same period.
- There was an underlying rise of €83 million in Irish resident private-sector deposits during October. This was driven by increases of €77 million and €64 million in household and NFC deposits, respectively over the month. Deposits from ICPFs also rose during October by €12 million. These increases more than offset a decline of €71 million in deposits from Irish resident OFIs during the month.
- The aggregate developments in private-sector deposits were dominated by significant flows into term deposits with agreed maturity of up to two years, which increased by €600 million during October. There was also an increase in deposits with an agreed maturity over two years during the month of €67 million. This shift into longer-term deposit products, which was almost entirely reflected in household and NFC accounts, offset declines in overnight deposits and short-term savings deposits (redeemable at notice). Both these deposit categories declined during October, by €19 million and €65 million respectively.
- The decline in overnight deposits during October 2011 was mostly related to a fall in household and OFI deposits of €31 million and €15 million, respectively, which offset a

rise in NFC overnight deposits of €189 million. The decline in redeemable at notice deposit accounts was largely due to the household sector, with significant amount of these funds being placed in the more attractive longer-term savings products offered during the month.



- Private-sector deposits from other euro area residents declined by 10.3 per cent over the year ending October 2011, whereas those from non-euro area private-sector residents were 12.8 per cent lower over the same period. There was an underlying net monthly decline in private-sector deposits from other euro area residents during October, of €61 million. Meanwhile deposits from the non-euro area resident private sector rose by €1.8 billion during the month, which entirely reflected transactions with counterparties affiliated to credit institutions resident in Ireland.
- Credit institutions' borrowings from the Central Bank as part of Eurosystem monetary policy operations rose by €85 million in October 2011. The outstanding stock of borrowings from the Eurosystem by Irish resident credit institutions amounted to €100.9 billion at end-October. Domestic market credit institutions³ accounted for €71.5 billion of this total outstanding stock, following an increase of €365 million in their recourse to Eurosystem refinancing operations during the month.
- A number of credit institutions have issued debt under the Eligible Liabilities Guarantee scheme and have retained the bonds concerned for their own use. For methodological reasons these are not included in the *Money and Banking Statistics* tables. At end-October 2011, the outstanding amount of these bonds was €17.6 billion.

³ Domestic market credit institutions are those who have a significant level of retail business with Irish households and NFCs, and would exclude the more internationally focused banks in the IFSC. A full [list](#) of these institutions is available in the Credit, Money and Banking section of the Statistics portal of the Central Bank of Ireland website.

Table A.1 Summary Irish Private Sector Credit and Deposits

| | | Credit Advanced to Irish Private Sector | | | | | | | | | | Irish Private Sector Deposits | | | |
|--|-----|---|----------------|-------------|--------|--------|------------|----------------|---------|------------|--------|-------------------------------|--------|----------------|--------|
| | | Households | | | NFCs | | | ICPFs and OFIs | | | | Total | | | |
| | | Loans for house purchase | Consumer loans | Other loans | | Loans | Securities | | Loans | Securities | | Households | NFCs | ICPFs and OFIs | |
| Outstanding amounts - € million | | | | | | | | | | | | | | | |
| 2011 | May | 129,510 | 98,371 | 17,783 | 13,356 | 89,069 | 88,946 | 123 | 113,345 | 43,212 | 70,133 | 172,495 | 92,133 | 31,655 | 48,707 |
| | Jun | 129,352 | 98,335 | 17,699 | 13,317 | 89,133 | 88,959 | 174 | 113,805 | 43,845 | 69,961 | 168,153 | 92,215 | 30,906 | 45,033 |
| | Jul | 128,692 | 98,020 | 17,416 | 13,256 | 89,480 | 89,301 | 179 | 112,817 | 43,198 | 69,619 | 167,378 | 91,795 | 31,073 | 44,510 |
| | Aug | 128,234 | 97,771 | 17,283 | 13,179 | 88,711 | 88,568 | 143 | 109,769 | 42,501 | 67,268 | 166,152 | 91,239 | 31,412 | 43,501 |
| | Sep | 128,302 | 97,964 | 17,172 | 13,166 | 89,273 | 89,125 | 147 | 108,446 | 43,096 | 65,350 | 163,992 | 91,769 | 31,209 | 41,014 |
| | Oct | 111,006 | 80,798 | 17,136 | 13,073 | 87,963 | 87,817 | 146 | 124,754 | 41,869 | 82,885 | 162,987 | 91,913 | 31,550 | 39,524 |
| Transactions - € million | | | | | | | | | | | | | | | |
| 2011 | May | -449 | -262 | -156 | -31 | -93 | -87 | -6 | -841 | -186 | -656 | -752 | -709 | -36 | -8 |
| | Jun | -196 | -127 | -69 | 0 | 275 | 343 | -68 | 786 | -398 | 1,184 | -4,289 | 27 | -741 | -3,575 |
| | Jul | -710 | -334 | -293 | -83 | 163 | 158 | 5 | -1,273 | -1,025 | -248 | -1,008 | -445 | 95 | -657 |
| | Aug | -443 | -242 | -127 | -74 | -437 | -436 | -1 | -1,507 | -528 | -979 | -895 | -510 | 459 | -844 |
| | Sep | -183 | -83 | -119 | 19 | 600 | 594 | 5 | -2,105 | -178 | -1,927 | -2,671 | 485 | -420 | -2,736 |
| | Oct | -614 | -319 | -248 | -48 | -503 | -500 | -4 | -2,179 | -1,607 | -572 | 583 | 177 | 464 | -58 |
| Growth rates - per cent per annum | | | | | | | | | | | | | | | |
| 2011 | May | -4.8 | -2.1 | -15.7 | -16.6 | -2.8 | -2.6 | -27.4 | 13.2 | -10.6 | 30.8 | -8.7 | -5.7 | -10.9 | -13.1 |
| | Jun | -3.9 | -2.2 | -14.3 | 0.2 | -3.3 | -3.0 | -67.2 | 13.8 | -11.5 | 32.7 | -10.0 | -5.1 | -13.0 | -17.3 |
| | Jul | -3.9 | -2.4 | -13.4 | -0.6 | -2.7 | -2.4 | -66.3 | 10.6 | -12.9 | 27.6 | -10.4 | -5.6 | -11.4 | -18.7 |
| | Aug | -4.0 | -2.4 | -13.7 | -1.2 | -2.7 | -2.5 | -66.5 | 7.3 | -14.0 | 22.2 | -10.4 | -5.4 | -10.1 | -20.0 |
| | Sep | -4.0 | -2.5 | -13.6 | -0.7 | -1.7 | -1.4 | -65.2 | 5.9 | -13.4 | 19.1 | -10.5 | -4.7 | -8.2 | -22.9 |
| | Oct | -3.9 | -2.6 | -13.2 | 0.7 | -1.9 | -1.7 | -59.6 | 1.2 | -16.7 | 13.3 | -11.0 | -4.5 | -7.8 | -25.0 |

Annex 1: Money and Banking Statistics Tables

The tables below, along with a detailed set of [explanatory notes](#) are accessible in the [Credit, Money and Banking](#) section of the Statistics portal of the Central Bank of Ireland website.

[Table A.1: Summary Irish Private Sector Credit and Deposits](#)

[Table A.2: Financial Statement of the Central Bank of Ireland](#) (formerly Table C2)

[Table A.3: Money Supply – Irish Contribution to Euro Area](#)

[Table A.3.1: Money Supply – Irish Resident](#)

[Table A.4: Credit Institutions – Aggregate Balance Sheet](#) (formerly Table C3)

[Table A.4.1: Domestic Market Credit Institutions – Aggregate Balance Sheet](#)

[Table A.4.2: Covered Institutions – Aggregate Balance Sheet](#)

[Table A.5: Loans to Irish Private Sector – Sector and Maturity](#)

[Table A.5.1: Loans to Irish Households – Purpose and Maturity](#)

[Table A.6: Loans to Irish Residents – Outstanding Amounts \(incl. Securitised Loans\)](#)

[Table A.7.1: Loans to Non-Residents – Other Euro Area](#)

[Table A.7.2: Loans to Non-Residents – Non-Euro Area](#)

[Table A.8: Securities Held by Credit Institutions – Issued by Irish Residents](#)

[Table A.9: Securities Held by Credit Institutions – Issued by Non-Residents](#)

[Table A.10: Private Sector Credit Advanced to Irish Residents](#) (formerly Table A2.2)

[Table A.11: Deposits from Irish Private Sector – Category](#)

[Table A.11.1: Deposits from Irish Private Sector – Sector and Category](#)

[Table A.12.1: Deposits from Non-Residents – Sector](#)

[Table A.12.2: Deposits from Non-Resident Private Sector – Sector and Category](#)

[Table A.13: Credit Card Statistics](#) (formerly Table C14)

A full list of [Credit Institutions resident in the Republic of Ireland](#), as well as the subset of domestic market credit institutions is available on the Central Bank of Ireland website referred to above.