

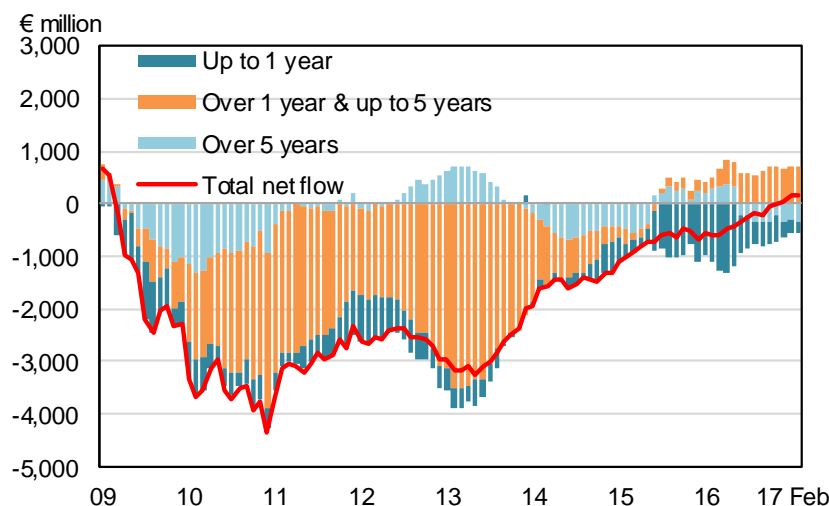
## Money and Banking Statistics – February 2017

Irish residents' draw-downs of non-housing loans were €162 million higher than repayments over the year to February 2017. This compares with net repayments of €614 million in the year to February 2016. The annual increase of 1.1 per cent in February 2017, represents the third consecutive month of annual growth for non-housing loans, and the largest yearly increase since 2009.

The annual increase in non-housing loans to households masks divergent trends between loan maturities. As evidenced in the chart below, growth in medium-term loans have generally been positive since the beginning of 2016. In annual terms, medium-term net lending increased by 10.9 per cent in February, with drawdowns exceeding repayments by €701 million. In contrast, short-term and long-term net lending remains negative.

The main driver of the increase in medium term non-housing loans, are loans for consumption purposes, which typically include car loans, furniture, domestic appliances and holiday loans.

### Loans to Households (consumption/other) - Net flows (12-month sum) by original maturity category

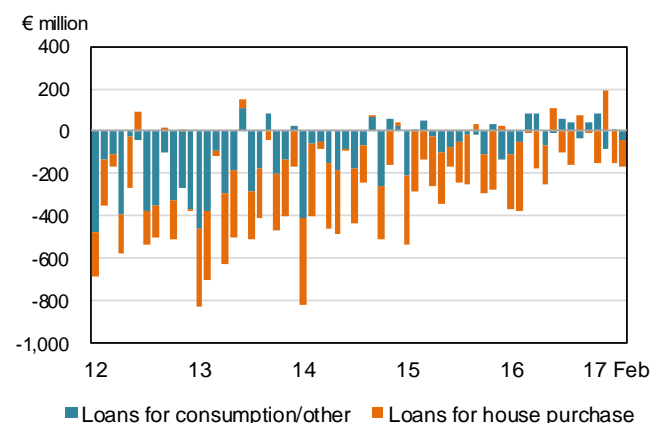


Source: Money and Banking [Table A.5.1](#)

### Developments in Household credit and deposits

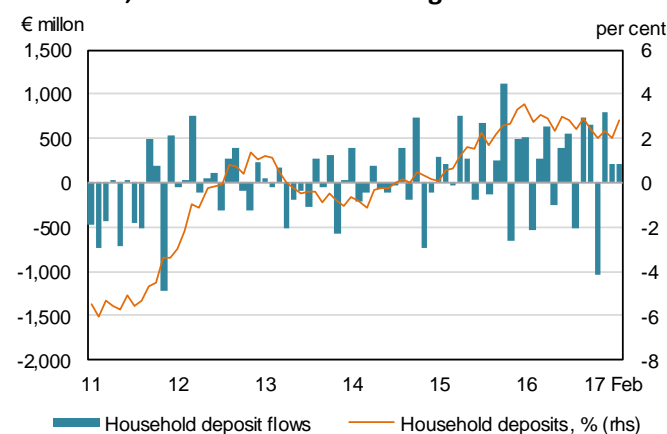
- **Loans to households adjusted for loans sales and securitisations** declined by 2.3 per cent in annual terms in February.<sup>1</sup>
- **Mortgage loans**, which account for 83 per cent of on-balance sheet household loans, decreased in net terms by €130 million in February (Chart 1); this follows on from a net decrease of €153 million recorded in the previous month. In year-on-year terms, net mortgage lending declined by €717 million or 1 per cent.
- **Non-housing loans**, despite net repayments of €39 million in February, increased by 1.1 per cent in annual terms. This represents the third consecutive month of annual growth for non-housing loans, and the largest increase since 2009. Consumer credit drawdowns were €614 million higher than repayments over the year to February 2017, while the reverse was true for loans for other purposes, which decreased in net terms by €452 million.
- **Deposits from households** increased in net terms by €209 million in February. This increase in February follows the pattern in January and December, continuing to offset the withdrawals which occurred in November. In annual terms, household deposit lodgements were €2.6 billion higher than withdrawals, growing by 2.8 per cent over the year (Chart 2).
- **Developments in loans and deposits mean that Irish households continued to be net funders of the Irish banking system.** Banks held €9.7 billion more household deposits than loans at end-February (Chart 3). By contrast, in early 2009 household loans exceeded deposits by €53.5bn

**Chart 1: Loans to Households; developments in net flows**



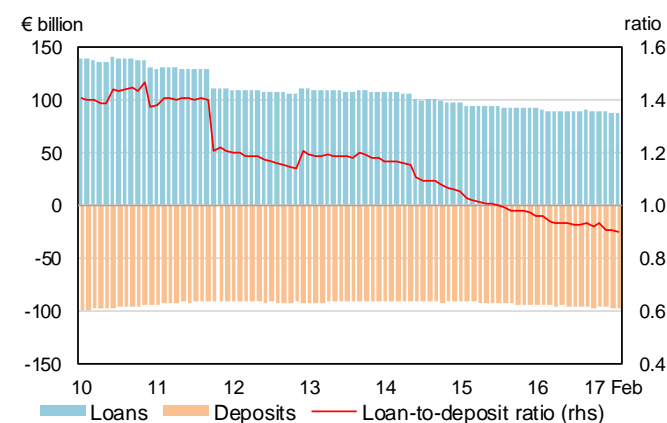
Source: Money and Banking [Table A.1](#)

**Chart 2: Deposits from Households; developments in net flows, and annual rate of change**



Source: Money and Banking [Table A.1](#)

**Chart 3: Household loans and deposits; outstanding stock and LDR**



Source: Money and Banking [Table A.1](#)

<sup>1</sup> See Note 2 on page 4.

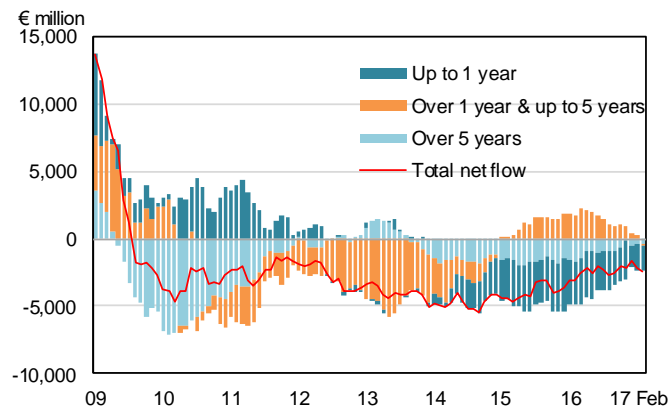
### Developments in NFC credit and deposits

- **Net lending to NFCs** declined by €2.4 billion, or 5.4 per cent, in annual terms in February. All loan maturity categories recorded annual declines in February. The decline in medium-term maturities represented the first annual decline for this category since November 2014.
- In annual terms, medium-term net lending to NFCs fell by 0.5 per cent in February, with repayments exceeding drawdowns by €71 million. Short-term net lending declined by €2 billion over the past 12 months.
- **NFC deposits** increased by almost €1.2 billion in net terms in February, in contrast to a decrease of €350 million recorded in January (Chart 5). Deposits with agreed maturity of up to two years were the largest contributor to this net increase, with an increase of €914 million. This follows on from an increase of €292 million in previous month and represents the largest increase in this category over the past two years.
- NFC deposits grew by 7.9 per cent annually in February, continuing the strong trend of corporate inflows into the Irish banking system.

### Developments in other counterparty sectors

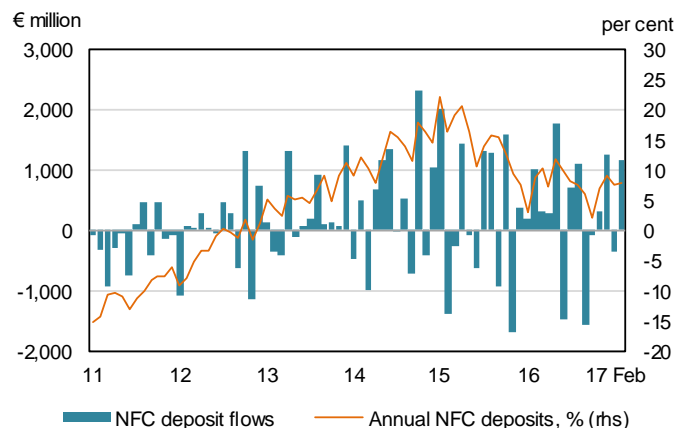
- **Lending to the private sector** has been the main driver of net lending to Irish residents since early 2014 and accounted for 74 per cent of banks' loan books in February (Chart 6). In annual terms, outstanding loans to the Irish private sector declined by 3 per cent in February.
- Credit institutions' holdings of Irish issued **debt and equity securities** increased by €369 million in February.

Chart 4: Loans to NFCs; net flows (12-month sum) by original maturity category



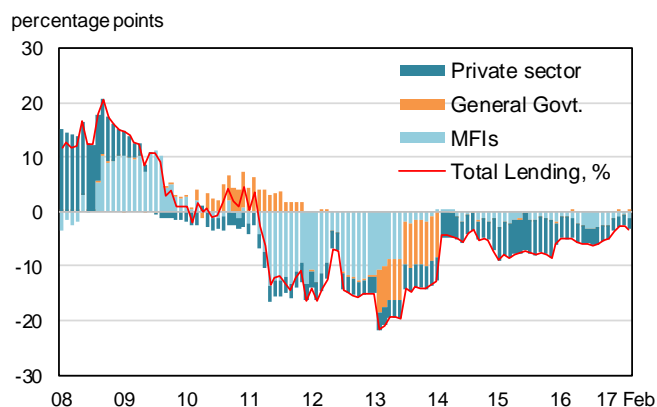
Source: Money and Banking [Table A.5](#)

Chart 5: Deposits from NFCs; developments in net flows, and annual rate of change



Source: Money and Banking [Table A.11.1](#)

Chart 6: Contributions of Irish resident counterparts to annual growth in loans advanced by Irish banks



Source: Money and Banking [Table A.4](#)

- **Irish banks' borrowings from the Central Bank as part of Eurosystem monetary policy operations** decreased in February. The outstanding stock of Central Bank borrowings was €7.2 billion, with the domestic market banks accounting for 95 per cent of this.

**Note 1:**

Money and Banking statistics cover all credit institutions resident in Ireland. This includes licensed banks, building societies and, since January 2009, credit unions. A resident office means an office or branch of the reporting institution which is located in the Republic of Ireland. Data are reported in respect of resident office business only. Recent data are often provisional and may be subject to revision. For further detail please see the [Money and Banking](#) webpage for;

- An extensive set of [Money and Banking Tables](#);
- A list of [Irish Resident Credit Institutions](#);
- [Money and Banking statistics Explanatory Note](#).

**Note 2:**

This measure of lending includes repayments on serviced loans which no longer appear on the balance sheet due to derecognition and transfer. See [Table A.6](#).

**Keywords:**

Money and Banking Statistics, Irish Financial Statistics, Loans, Deposits, Household Debt, Mortgage, Repayments, Securitisations, PDH.