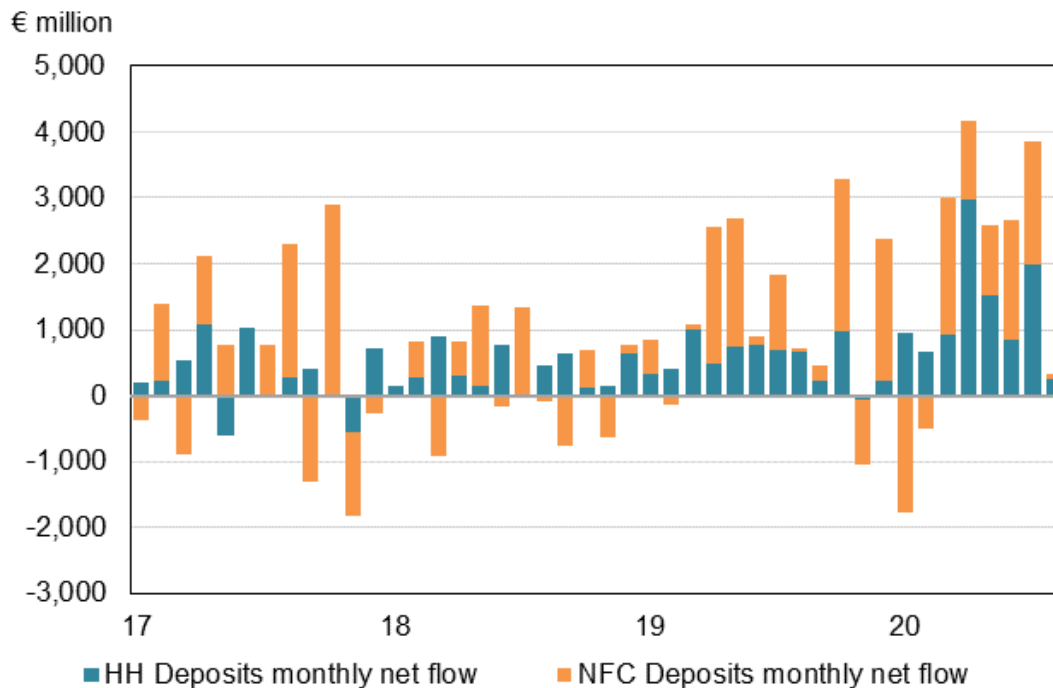




Money and Banking Statistics¹ – August 2020

Irish deposit growth slowed in August as economic activity recovered. Household and NFC deposits grew by €322 million in the month, well below the average monthly increase of €3,249 million observed during the higher restriction months from March to July. The moderation in growth was evident in both household (+€248 million) and NFC (+€74 million) deposits.

Deposits from Households and NFCs; developments in net flows



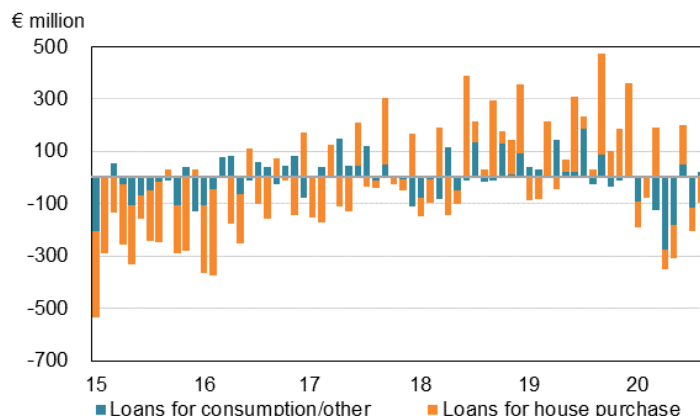
Source: Money and Banking [Table A.1](#)

¹ See notes on page 4.

Developments in Household credit and deposits

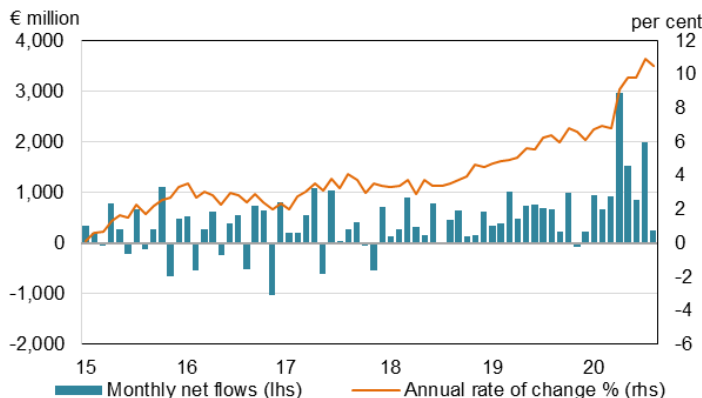
- **Irish households’ repayments exceeded drawdowns** by €74 million in August. On an annual basis, bank lending to households recorded growth of €135 million; this represents the lowest annual net lending recorded since mid-2017.
- **Loans for house purchase** on banks’ balance sheets decreased in net terms by €97 million in August (Chart 1). Annual growth in the year to end-August was €803 million, or 1.1 per cent.
- **Consumer lending** saw an increase of €29 million in August. Annually, repayments exceeded new lending by €535 million over the year to end-August. This represents a continuation of net declines in annual consumer credit observed since April 2020.
- **Household deposits** recorded a net inflow of €248 million in August (Chart 2). In annual terms, lodgements exceeded withdrawals by €11.4 billion, or 10.5 per cent.
- **Overnight deposits**, which include current accounts, were the driver within the monthly and annual increases in household deposits (Chart 3). They recorded an increase of €371 million in August and grew by €13.7 billion, or 15.5 per cent in annual terms.

Chart 1: Loans to Households; developments in net flows



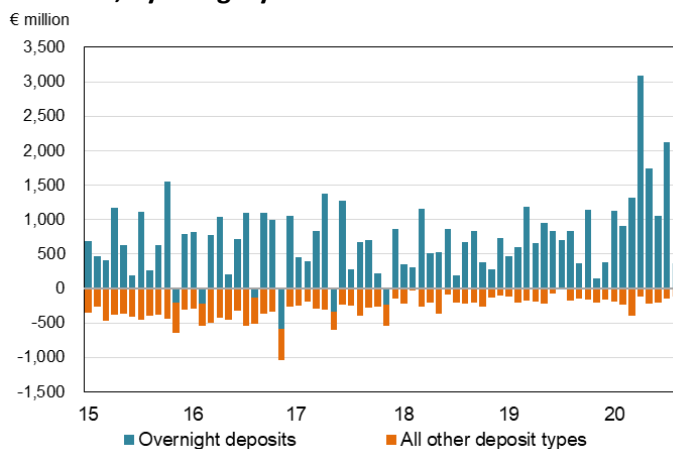
Source: Money and Banking [Table A.1](#)

Chart 2: Household deposits; monthly developments in net flows, and annual rate of change



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

Chart 3: Household deposits; monthly developments in net flows, by category



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

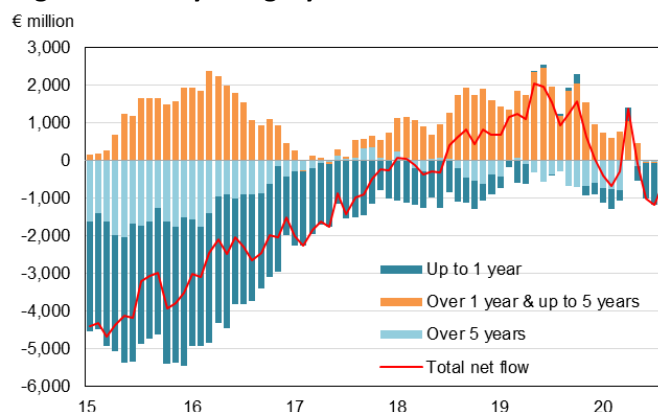
Developments in NFC credit and deposits

- **Net lending to non-financial corporations (NFCs)** turned positive in August, amounting to €66 million. On an annual basis, loans declined by €667 million or 1.7 per cent. Short-term loans continued to drive the annual declines recorded in lending to NFCs (Chart 4).
- **NFC deposits** exceeded withdrawals in August, recording a monthly net inflow of €74 million. This increase was mainly attributable to overnight deposits and repurchase agreements. In annual terms, NFC deposits increased by €9.6 billion, marking the largest annual increase in NFC deposits since December 2019 (Chart 5).

Developments in other counterparty sectors

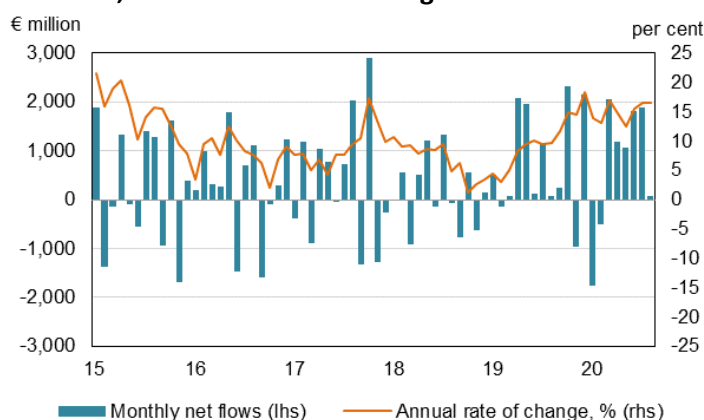
- **The annual growth rate in total bank lending** increased by 0.2 per cent (Chart 6), driven by an increase in lending to monetary financial institutions. Lending to the private sector, which accounts for 77 per cent of banks' loan books, declined in annual terms by 0.8 per cent.
- **Bank deposits** from Irish resident other financial institutions (including insurance corporations and pension funds) decreased in net terms by €103 million during the month, mainly driven by overnight deposits and repurchase agreements.
- **Credit institutions' holdings of Irish-issued debt and equity securities** recorded a net decrease of €878 million in August 2020.

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



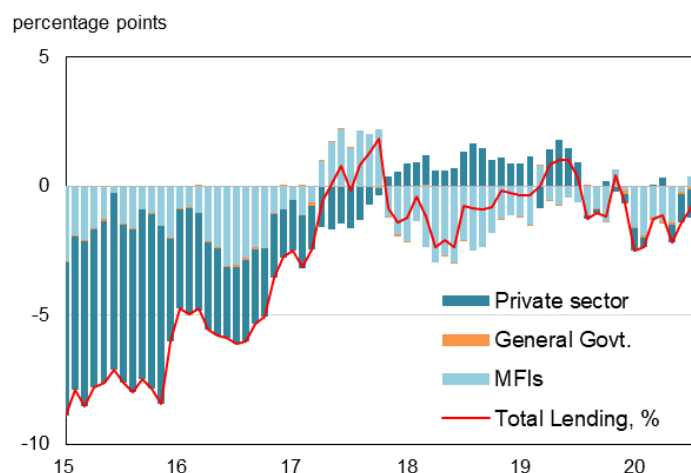
Source: Money and Banking [Table A.5](#)

Chart 5: Deposits from NFCs; monthly 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](#)

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](#).

Irish-headquartered banks refers to institutions whose ultimate parent entity is resident in Ireland.

Note 2:

A number of lenders have agreed payment breaks with their customers since the onset of the COVID-19 crisis. These breaks are likely to significantly affect the Money and Banking lending data in this period, predominantly by keeping outstanding loan balances higher than they would be, had repayments followed their initial schedule. As well as this, June data is affected by quarterly interest capitalisation, which increases balances in on-quarter months.

Note 3:

Please note that data for credit unions is reported with a delay. Therefore, the effects of the COVID-19 crisis and the subsequent lockdown measures on credit union loans and deposits are only beginning to be seen in July data. Movements in overall July household deposit and consumer lending data are impacted by this.