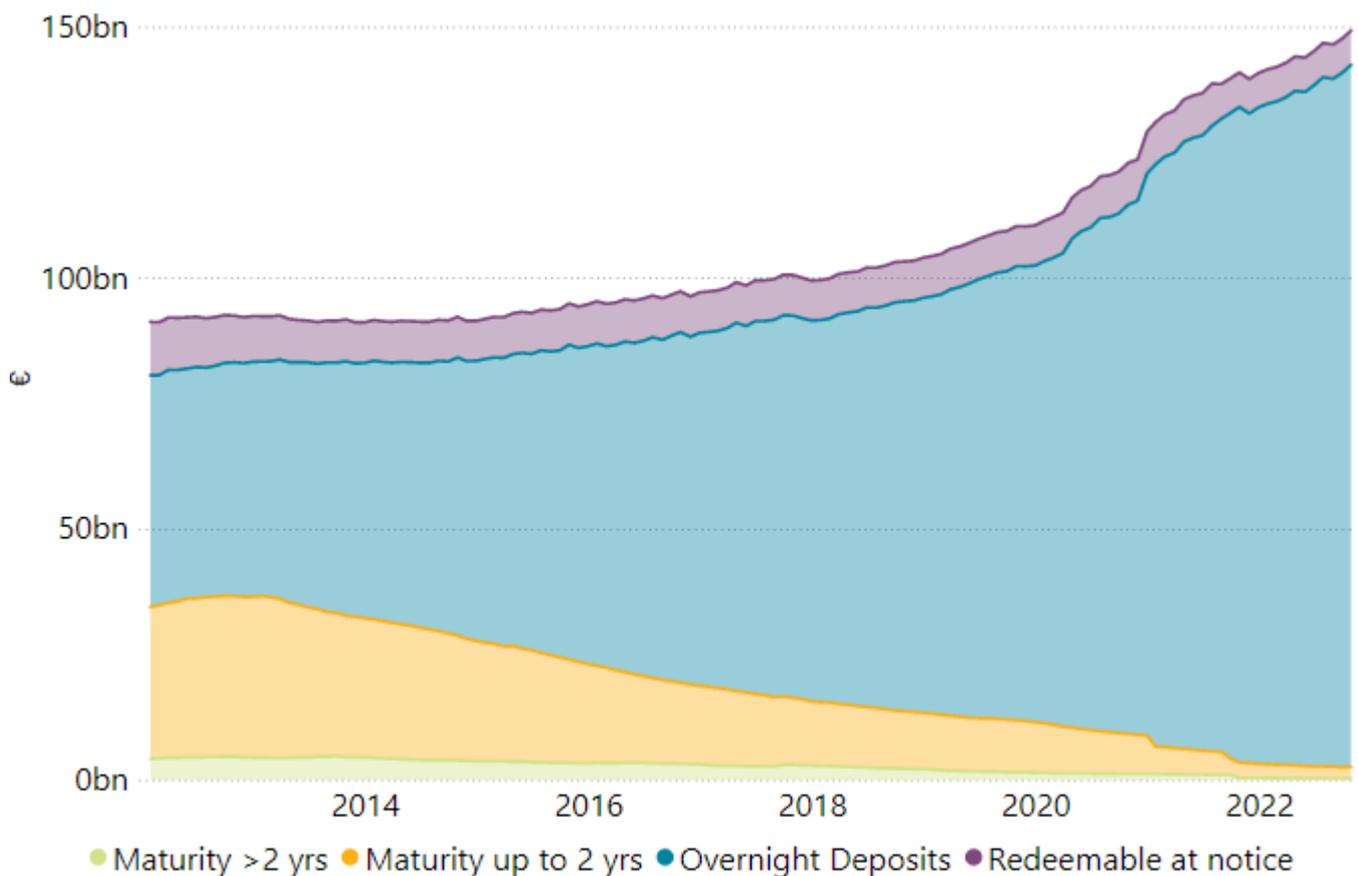




Money and Banking Statistics¹ – October 2022

Household deposits grew by the largest amount in fifteen months in October, increasing by €1.6 billion or 1 per cent over the month. Household deposits now stand at €149 billion, higher than at any previous time. The deposits have concentrated in overnight accounts in recent years, as low interest rates across all deposits categories reduced the incentives to invest in notice or fixed term accounts.

Overnight household deposits continue to drive growth



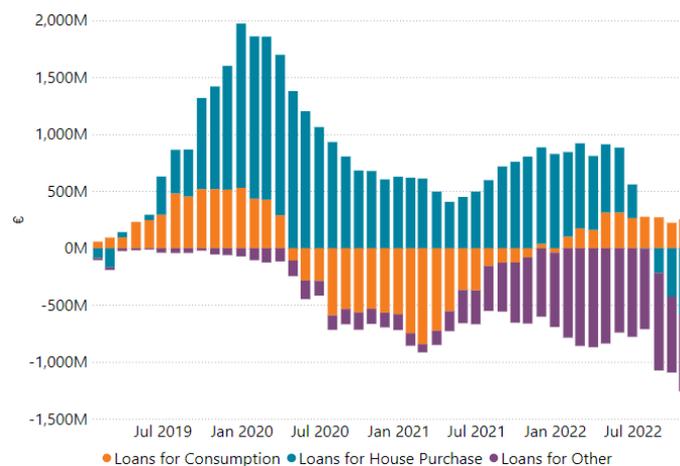
Source: Money and Banking [Table A.1](#)

¹ See notes on page 4.

Developments in Household credit and deposits

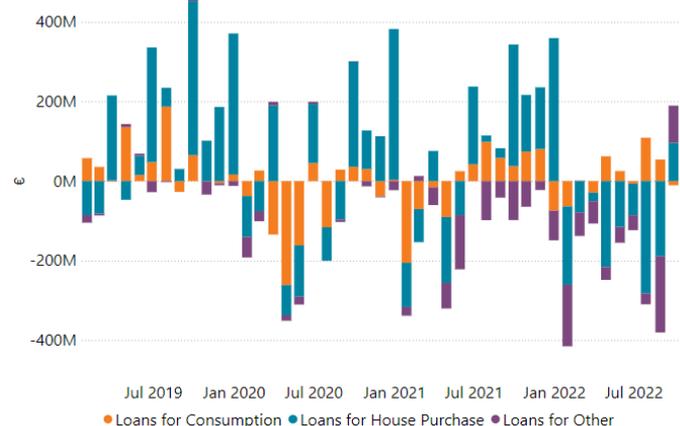
- **Net lending to households** was €19 million in October 2022, driven by growth in consumer lending.
- **The annual change in loans for house purchase²**, when including both on balance sheet and securitised loans, has remained relatively stable throughout the year, with a current growth rate of -1.3 per cent (see table A.6).
- **Net consumer lending** increased by €106 million in October 2022 (Chart 2). This contributed to an annual increase in consumer loans of €254 million or 2.2 per cent.
- **Deposits from households** increased by €1.6 billion in October 2022 (Chart 3). In annual terms, net household deposits increased by over €8.1 billion or 5.8 per cent. This is a significant reduction from the peak growth of 13.8 per cent recorded in February 2021 covering the period of the Covid-19 lockdowns.
- **Overnight deposits**, which include current accounts, continued to be the driver of the annual increases in household deposits. The percentage of deposits held in overnight accounts now stands at 94 per cent, the highest proportion since the series began. A decade ago, this ratio stood at just 50 per cent.

Chart 1: Loans to Households (excluding securitised loans); developments in annual net flows



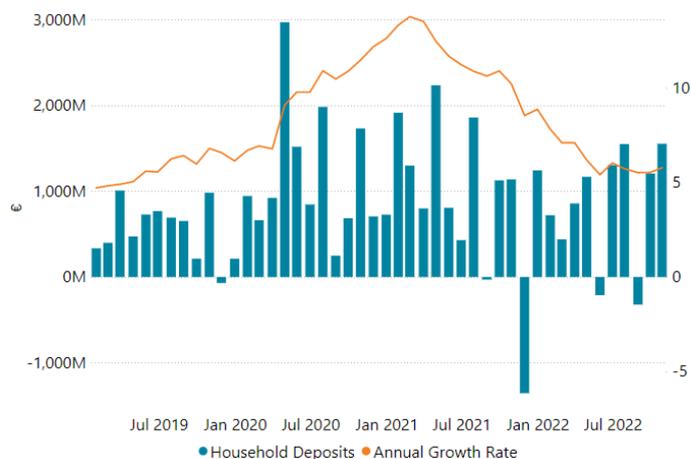
Source: Money and Banking [Table A.1](#)

Chart 2: Loans to households; developments in monthly net flows



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

Chart 3: Deposits from Irish resident households; development in net flows, and annual rate of change



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

² See note 4

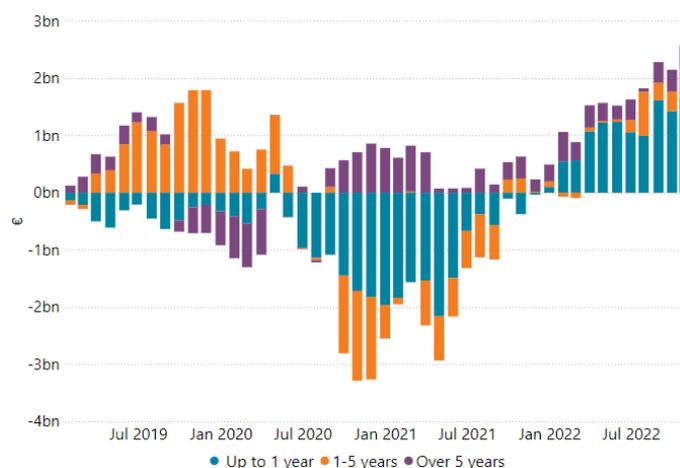
Developments in NFC credit and deposits

- **Net lending to non-financial corporations (NFCs)** was positive in October 2022 with €108 million more in loan drawdowns than repayments. On an annual basis, NFC loan drawdowns exceeded repayments by over €2.6 billion. This was the largest amount of annual net NFC lending since 2009 (Chart 4).
- **Deposits from NFCs** increased by €4.1 billion in October 2022. This large monthly increase contributed to strong annual growth in NFC deposits of €5.9 billion. This growth rate has remained positive since 2012, although it has declined from a rate of 20.9 per cent recorded in November 2020 (Chart 5).

Developments in other counterparty sectors

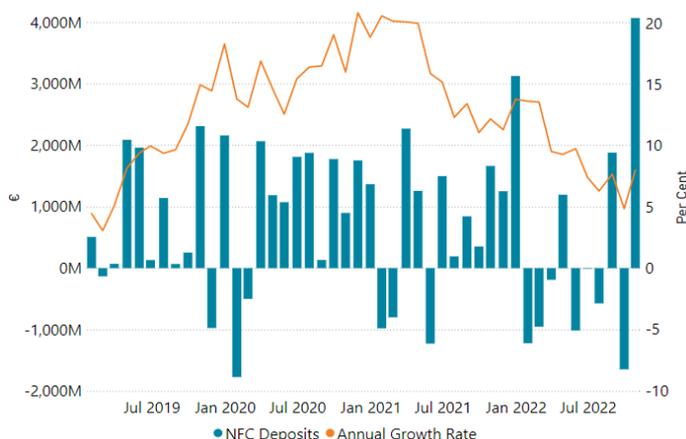
- **Total bank lending** to Irish resident sectors increased by 5.2 per cent in the year to end-October 2022, driven by an increase in lending to monetary financial institutions.
- **Banks' holdings of deposits** from the Irish resident private sector recorded a net inflow of €5.9 billion in October 2022, with an annual growth rate of 7.9 per cent.
- **Irish-resident banks' outstanding borrowing from the Central Bank as part of Eurosystem monetary policy operations** now stands at €23.3 billion.

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



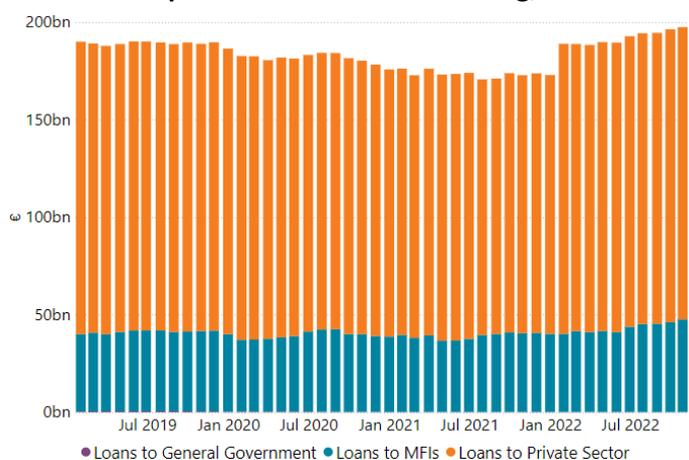
Source: Money and Banking [Table A.5](#)

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



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

Chart 6: Composition of Irish Bank Lending; Stocks



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, on-quarter months' data is affected by quarterly interest capitalisation, which increases balances in on-quarter months.

Note 3:

Convenience credit debt is defined as the credit granted at an interest rate of 0 per cent in the period between payment transaction(s) undertaken with the card during one billing cycle and the date at which debit balances from the specific billing cycle becomes due. Extended credit debt is defined as the credit granted after the due date(s) of the previous billing cycle(s) has/have passed, for which an interest rate is charged.

Note 4:

Treatment of securitised loans

As a result of an update to the ECB Regulation *'on the statistical reporting of balance sheet items of credit institutions and of the monetary financial institutions sector (recast) (ECB/2021/2)'*, there have been changes to how certain securitised loans are required to be classified for the purposes of statistical

reporting. The below treatment, allowed under the previous Regulation, is no longer permitted under the updated Regulation:

'MFIs (...) may be allowed by their NCB to exclude from the stocks (...) any loans disposed of by means of a securitisation in accordance with national practice (...)'

The removal of this clause means that banks are now required to report all previously excluded securitised balances within their on-balance sheet stocks of outstanding loans.

This has resulted in an increase in the on-balance sheet stock of house purchase loans in tables such as Table A.1 and Table A.4. These securitised loans were already captured in Table A.6, which combined on-balance sheet and securitised loans since the series began in January 2003. This change does not impact on published transactions and growth rates for January 2022. As a result of this change, we will be discontinuing publication of confidential series within table A.6 in the future.

Statistical classification of sole proprietors

In line with their treatment in ESA 2010, the Central Bank is harmonising the treatment of sole proprietors by reporting agents across various datasets. This has resulted in a reclassification of loans and deposits from the NFC to the Household sector. These amendments have been made with respect to January 2022 reference data, with revisions to historical data to follow. Specifically, these changes mean an increase in loan and deposit balances reported against the household sector, and a decline in balances reported against the NFC sector. This change does not impact on published transactions and growth rates for January 2022.