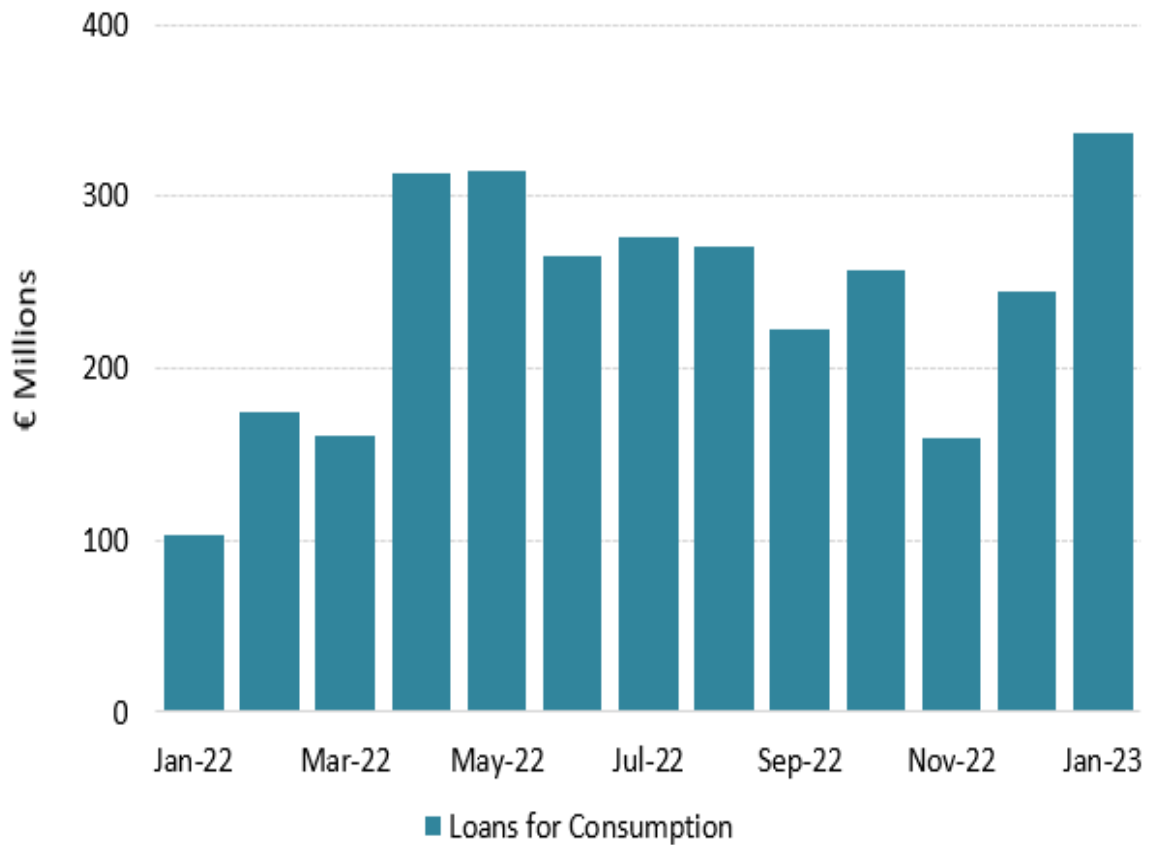




## Money and Banking Statistics<sup>1</sup> – January 2023

Net lending for household consumption increased by €29 million in January 2023, up from €11 million the previous month. On an annual basis, loans for household consumption recorded an increase of 2.9 per cent, or €336 million.

### Loans for Household Consumption; developments in annual net flows



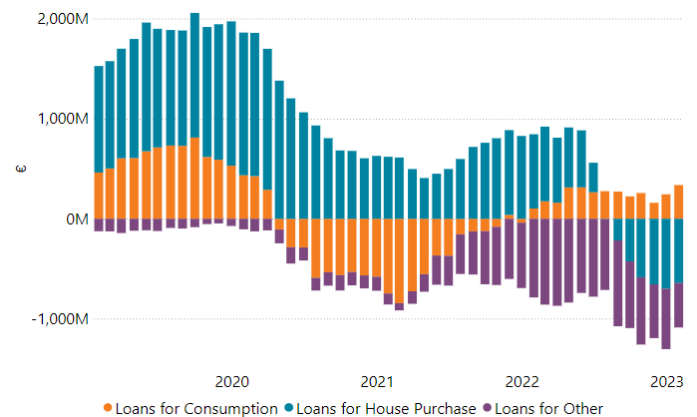
Source: Money and Banking [Table A.1](#)

<sup>1</sup> See notes on page 4.

**Developments in Household credit and deposits**

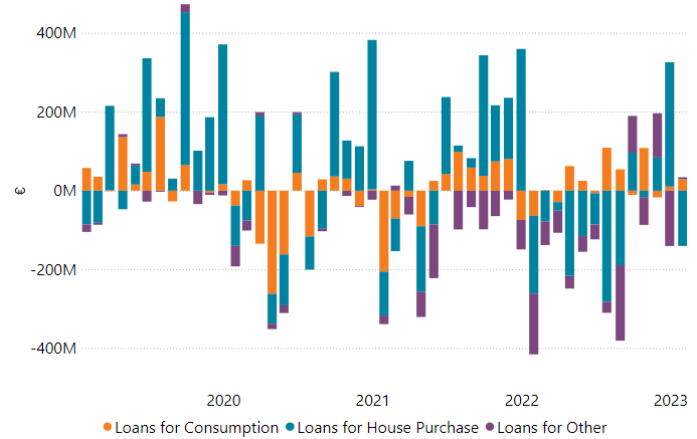
- **Net lending to households** declined during the month of January, standing at -€106 million, compared with an increase of €186 million seen in the previous month, though seasonal effects influence the quarter-end figures for lending for house purchase. On an annual basis, loans to households recorded a decline of 0.7 per cent, or €749 million (Chart 1).
- **The annual change in loans for house purchase<sup>2</sup>**, when including both on balance sheet and securitised loans, has remained relatively stable since last year; the annual growth was -0.9 per cent in January, compared with -1.0 per cent in December (see table A.6).
- **Net consumer lending** was positive in January, registering €29 million (Chart 2). The annual growth rate stood at 2.9 per cent in January, continuing the positive trend registered over the previous 12 months.
- **Loans for other purposes** recorded a marginal increase in January, where new lending exceeded repayments by €5 million. The annual growth rate was -7.3 per cent in January, compared with -9.7 per cent in the end of 2022.
- **Deposits from households** increased by €129 million in January (Chart 3). In annual terms, net household deposits increased by over €7.1 billion, while the growth rate stood at 5 per cent, representing the lowest annual rate seen since April 2019. The series is moving at similar rates to the pre-pandemic period.
- **Overnight deposits**, which include current accounts, continued to be the driver of the increases in household deposits, and account for 94 per cent of household deposits.

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



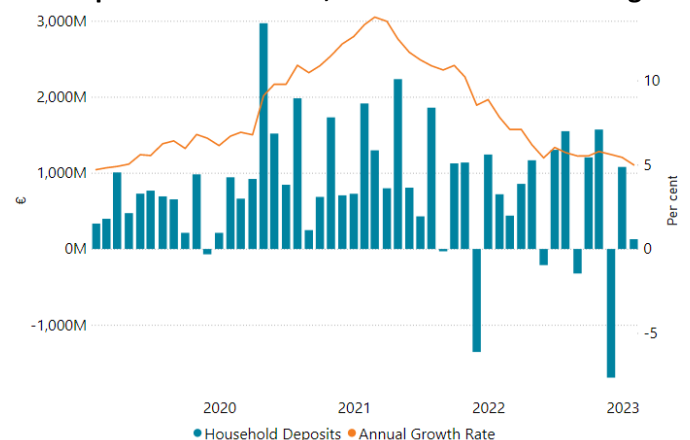
Source: Money and Banking [Table A.1](#)

**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](#)

<sup>2</sup> See note 4

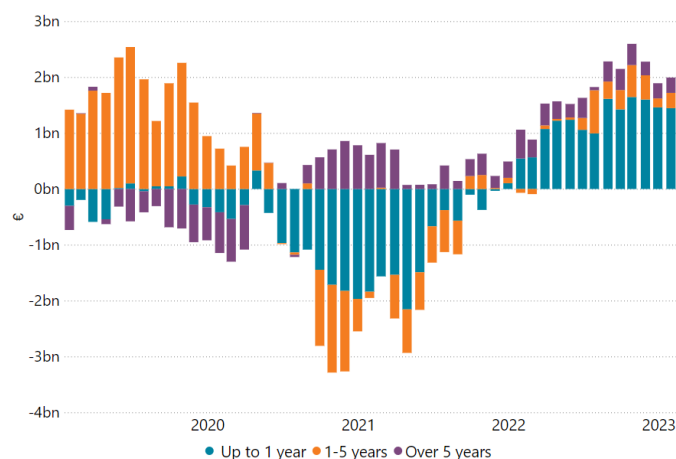
### Developments in NFC credit and deposits

- **Net lending to non-financial corporations (NFCs)** increased in January, following two consecutive months where repayments exceeded new lending. On an annual basis, NFC lending increased by 6.5 per cent in January (Chart 4).
- **Deposits from NFCs** decreased by €231 million in January 2022. In annual terms, NFC deposits increased by 5.2 per cent in January (Chart 5), with inflows exceeding withdrawals by €4 billion.

### Developments in other counterparty sectors

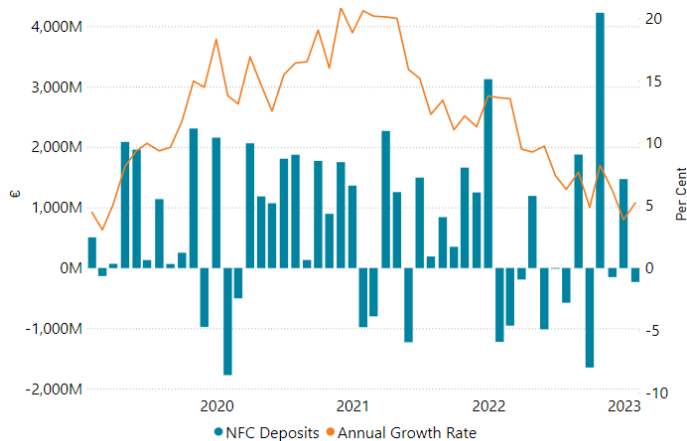
- **Total bank lending** to Irish resident sectors increased by 6.8 per cent in January, up from 5.9 per cent in December. Lending to monetary financial institutions continued to be the driver of this annual increase.
- **Banks' holdings of deposits** from the Irish resident private sector recorded a net outflow of €4.4 billion in January 2023. The annual growth rate was positive at 3.6 per cent in January, following the downward trend recorded since the end of the year 2020.
- **Irish-resident banks' outstanding borrowing from the Central Bank as part of Eurosystem monetary policy operations<sup>3</sup>** declined in January.

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



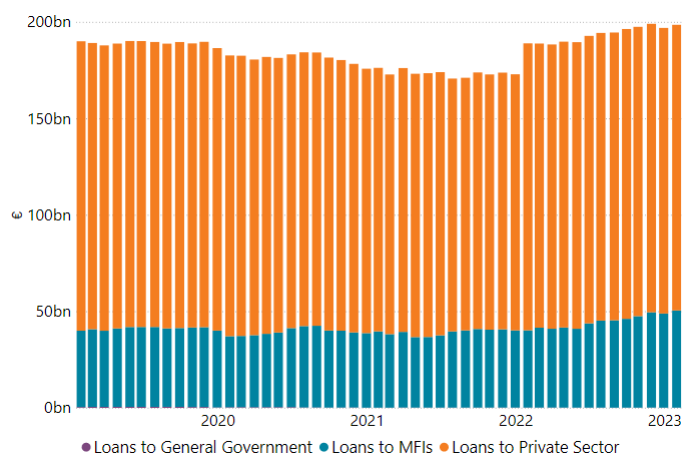
Source: Money and Banking [Table A.5](#)

**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](#)

<sup>3</sup> This figure has now been excluded from Table A.4, due to confidentiality restrictions.

**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.