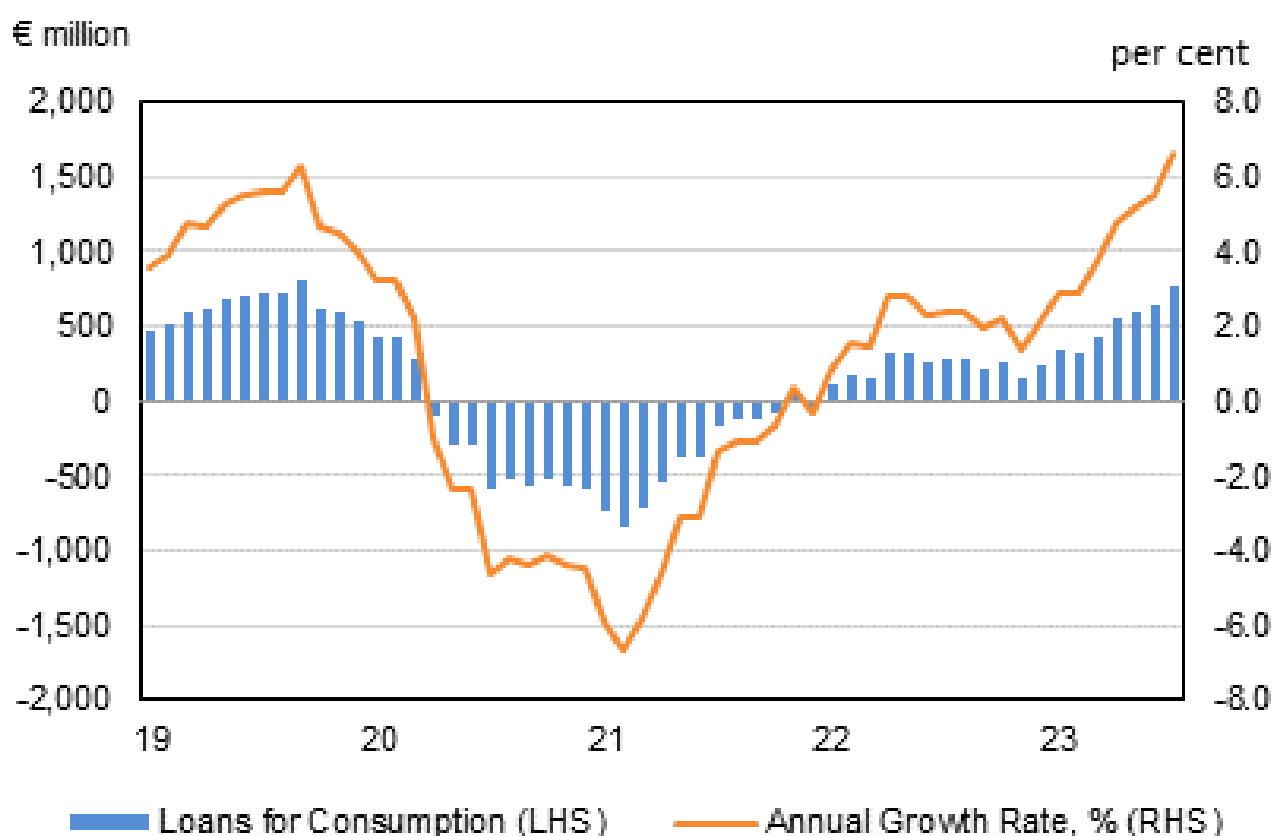




Money and Banking Statistics¹ – July 2023

Annual growth in consumer lending continued to accelerate in July 2023. Drawdowns exceeded repayments by €769 million (or 6.7 per cent) in the 12 month period up to end-July 2023, marking the largest annual increase within consumer loans since the third quarter of 2019.

Consumer Lending; developments in annual net flow, and annual rate of change



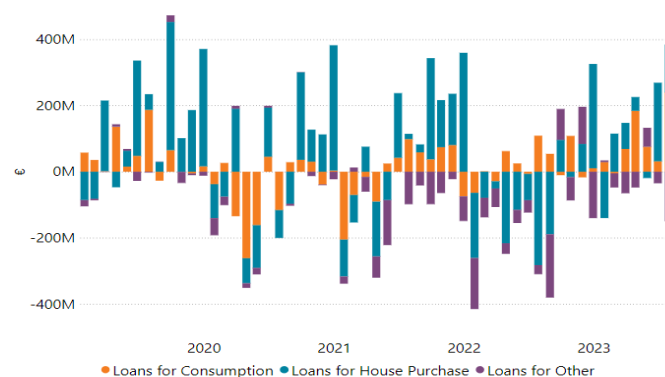
Source: Money and Banking [Table A.1](#)

¹ See notes on page 4.

Developments in Household credit and deposits

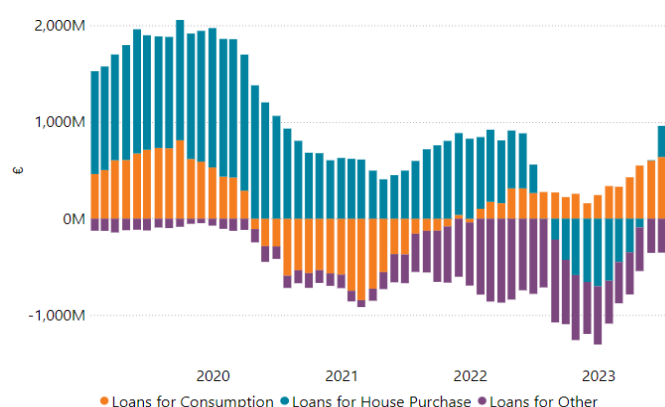
- **Net lending to households** remained positive in July at €234 million (Chart 1). This increase was driven by consumption loans of €240 million, though there is a seasonality component associated with this increase. Changes in annual growth rates over time may be a better indicator of long term trends therefore. On an annual basis, consumer loan drawdowns exceeded repayments by €769 million, marking the largest annual increase within consumption loans since the third quarter of 2019 (Chart 2).
- **The annual change in loans for house purchase²**, when including both on-balance sheet and securitised loans, increased to 0.8 per cent in July, marking the largest annual growth rate since the series began in 2015 (see Table A.6).
- **Loans for other purposes** decreased on both a monthly and annual basis, declining by €150 million and €476 million, respectively.
- **Households' holding of revolving loans and overdrafts** decreased by 5.1 per cent over the year to July. This compared to an increase of 12.2 per cent in the same period of the previous year. Households' holding of credit card debt continued to rise, increasing by 2.4 per cent over the year.
- **Household deposits** declined by €19 million in July (Chart 3). On an annual basis, net household deposits recorded an increase of over €5.5 billion, however this was the lowest annual increase since early 2019. In percentage terms, the annual increase slowed to 3.8 per cent.
- **Overnight deposits** were the driver of the household deposit decrease seen in July, declining by €338 million.

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



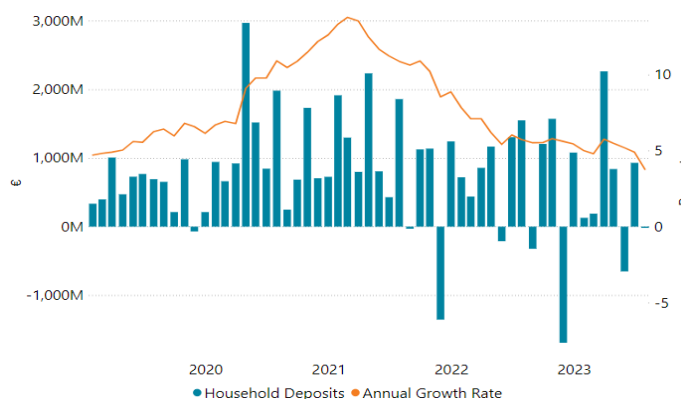
Source: Money and Banking [Table A.1](#)

Chart 2: Loans to Households (excluding securitised loans); developments in annual 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

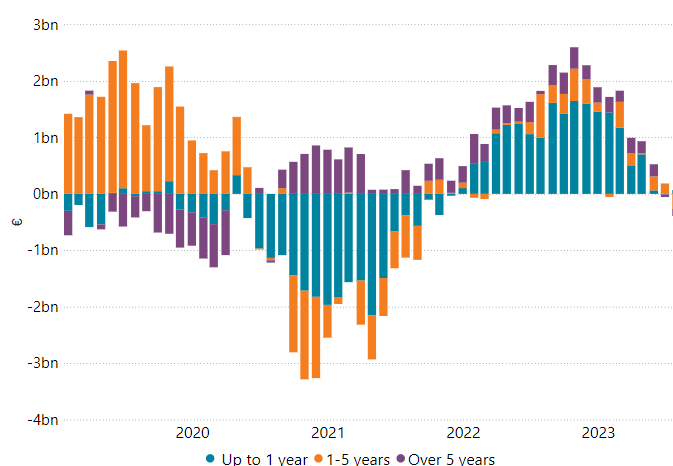
Developments in NFC credit and deposits

- **Net lending to non-financial corporations (NFCs)** was negative in July, contracting by €402 million, with this being the largest monthly decline seen since December 2022. In annual terms, NFC repayments exceeded drawdowns for the first time in almost two years (Chart 4).
- **Deposits from NFCs** increased by €1.8 billion in July, following a small contraction in the previous month (Chart 5). In annual terms, NFC deposits increased by €6.1 billion or 8.2 per cent, recording the largest annual increase in NFC deposits in over a year.

Developments in other counterparty sectors

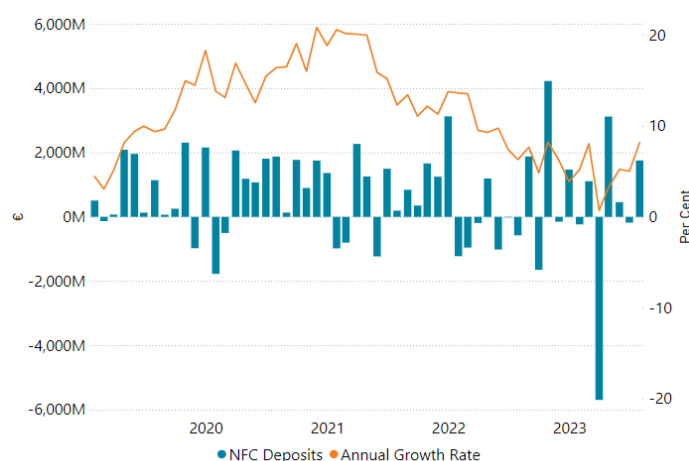
- **Total bank lending** to Irish resident sectors increased by 2.2 per cent in July 2023.
- **Banks' holdings of deposits** from the Irish resident private sector continued to increase, recording a net inflow of €2.3 billion in July and an annual growth rate of 1.9 per cent.
- **Currency in circulation** increased over the month by €139 million.

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



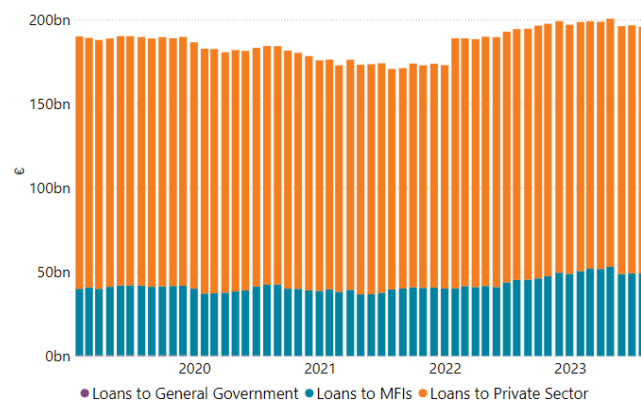
Source: Money and Banking [Table A.5](#)

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, end-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.