



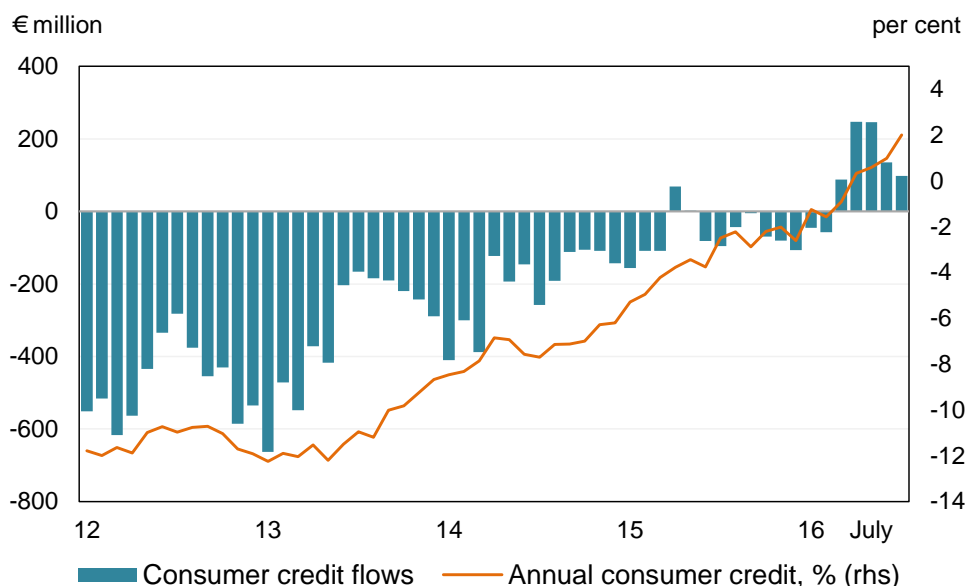
Money and Banking Statistics – July 2016

Irish Households drew-down €98 million more in new loans for consumer purposes than was repaid, in the three months to end-July 2016. This resulted in the highest annual growth since February 2009 (see chart below).

New lending was greater than repayments for medium-term loans only, while repayments by short and long-term borrowers continued to outpace new lending activity. Medium-term consumer loans typically include loans for car purchase, furniture and holidays.

For further detail, see the [Money and Banking](#) tables.

Chart: Net flow of loans to Irish residents for consumption purposes (3-month sum) and annual rate of change



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 3.2 per cent in July compared with the same period in 2015.¹
- **Mortgage loans**, which account for 83 per cent of on-balance sheet household loans, decreased by €103 million in July 2016 (Chart 1).
- In year-on-year terms, mortgage loans declined at a rate of 1.9 per cent, with households repaying €1.5 billion more than was advanced in new loans.
- In annual terms, non-housing loans for consumer and other purposes declined by 2 per cent.
- **Deposits from households** increased by €559 million in July. In annual terms, an increase of 2.8 per cent was recorded (Chart 2).
- Householders' preference for overnight and short-term deposits continued; reflecting low interest rates.
- **Irish households were net funders of the Irish banking system** for the thirteenth consecutive month. Banks now hold €7.4 billion more household deposits than loans. By contrast, in early-2009 household loans exceeded deposits by €53.5 billion.

Developments in NFC credit and deposits

- In contrast to the household sector, banks held marginally more NFC loans than NFC deposits in July.
- Lending to NFCs declined by 6.4 per cent in annual terms in July. However, this decline masks divergent trends between short and medium-term maturities.

Chart 1: Loans to Households; developments in net flows

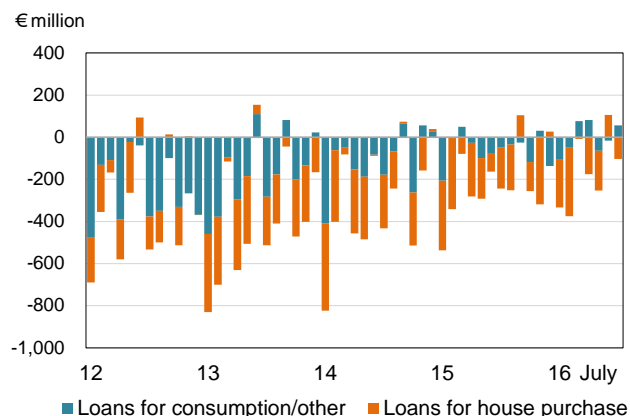


Chart 2: Deposits from Households; developments in net flows, and annual rate of change

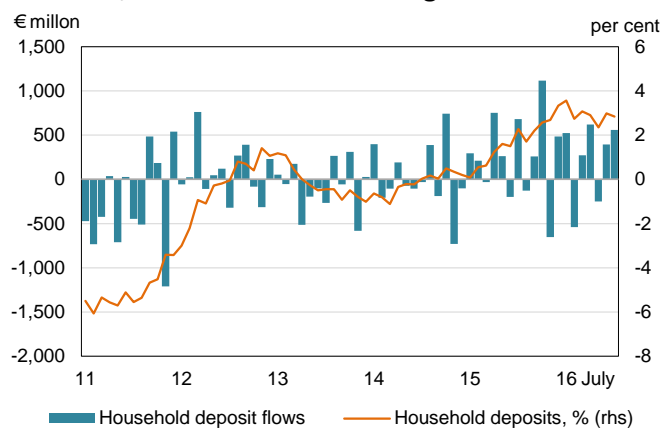
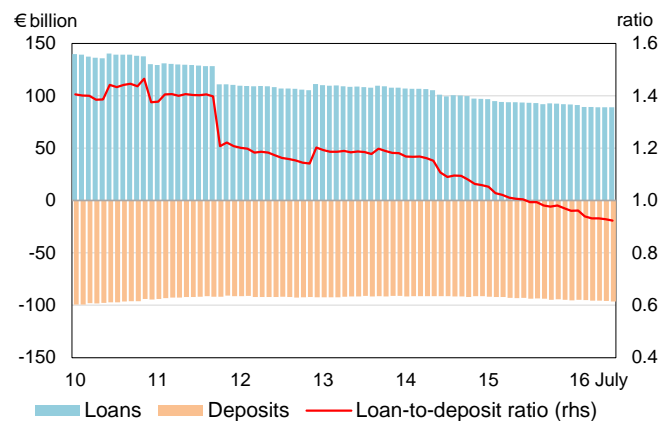


Chart 3: Household loans and deposits; outstanding stock and LDR



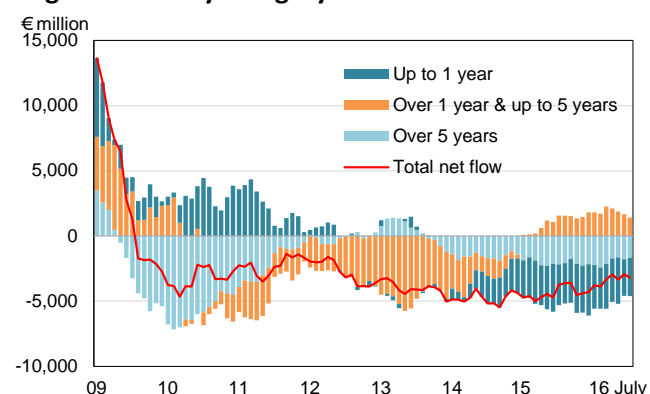
¹ See Note 2 on page 4.

- Medium-term net lending to NFCs grew by 11.4 per cent year-on-year in July, with drawdowns exceeding repayments by €1.4 billion. In contrast short-term net lending declined by €2.9 billion over the past 12 months.
- **NFC deposits** increased by €706 million in July (Chart 5). The monthly increase was mainly due to increases in both overnight accounts and in deposits with agreed maturity up to two years.
- In the twelve months to July, NFC deposit flows grew by 6.4 per cent, reflecting strong corporate inflows into the Irish banking system.

Developments in other counterparty sectors

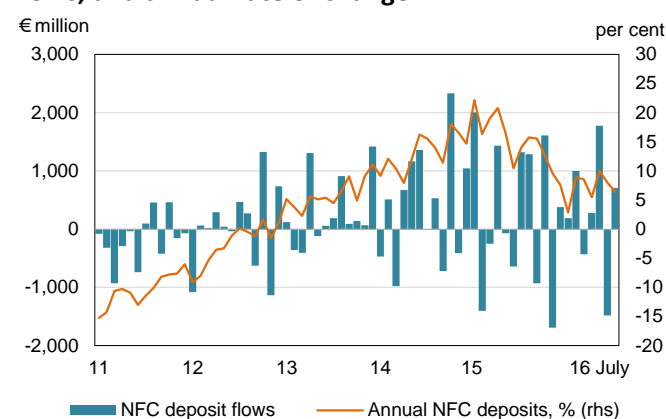
- **Lending to the Irish private sector** has been the main driver of net lending to Irish residents since early 2014 and accounted for 76.1 per cent of banks’ loan books in July (Chart 6). In annual terms, outstanding loans to the Irish private sector declined by 4.6 per cent.
- Credit institutions’ holdings of Irish issued **debt and equity securities** decreased by €207 million in July.
- **Irish banks’ borrowings from the Central Bank** as part of Eurosystem monetary policy operations decreased further in July, by €1.2 billion. The outstanding stock of Central Bank borrowings was €6.8 billion, with the domestic market banks accounting for 94 per cent.

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



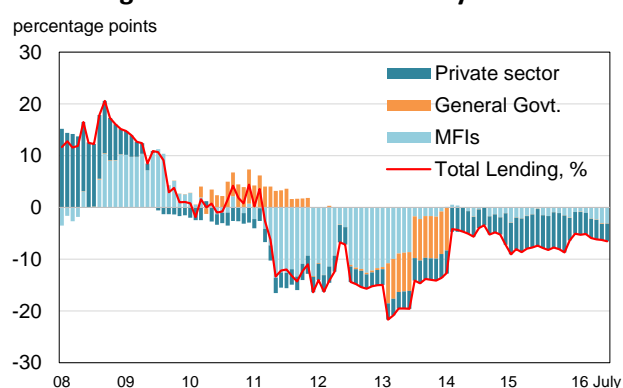
Source: Money and Banking [Table A.5](#)

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](#)

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.