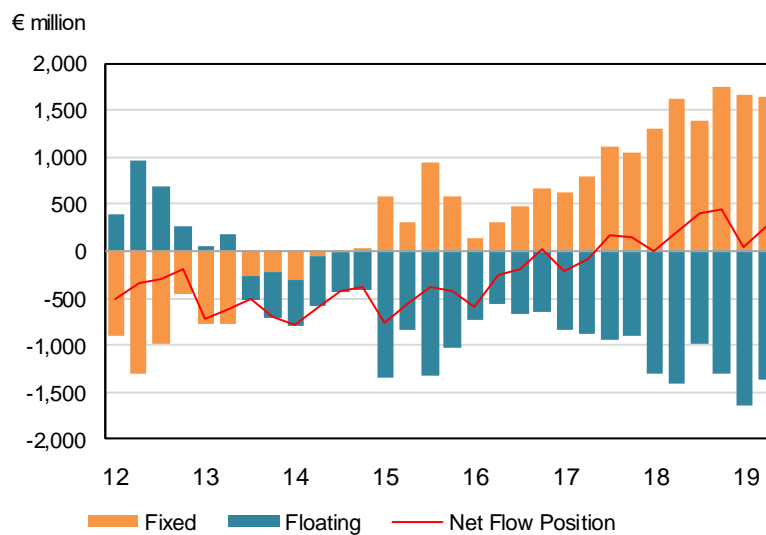




Money and Banking Statistics¹ – August 2019

Mortgage lending increased in net terms by €30 million in the month and €1.1 billion in the past year. Recent growth in lending has been driven entirely by fixed-rate lending, while floating-rate loans continued to decline.

Loans for House Purchase: fixed and floating-rate loans; quarterly net flows



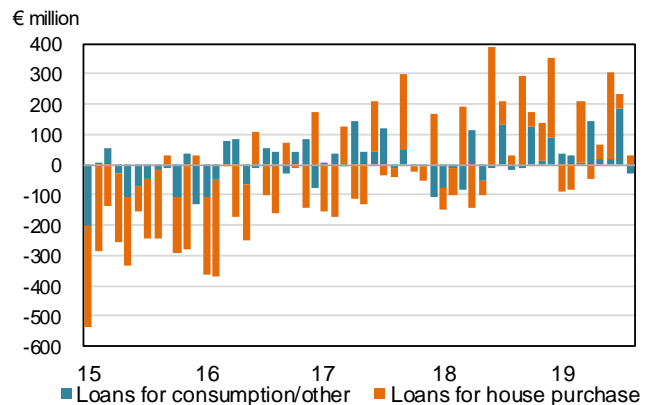
Source: Money and Banking [Table A.18.1](#)

¹ See note 1 on page 4.

Developments in Household credit and deposits

- The annual growth in total bank **loans to households** stood at 2 per cent in the 12 months to end-August 2019. This rate has remained unchanged since June, and amounted to a net increase in household lending of €1.8 billion over the last 12 months.
- **New loans for house purchase** have exceeded repayments since May 2019 (Chart 1). In annual terms, on-balance sheet mortgage lending increased by €1.1 billion, or 1.5 per cent.

Chart 1: Loans to Households; developments in net flows

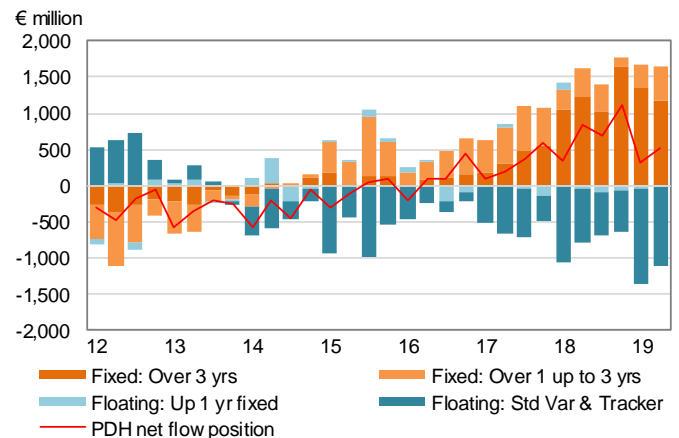


Source: Money and Banking [Table A.1](#)

Developments in PDH and BTL Loans

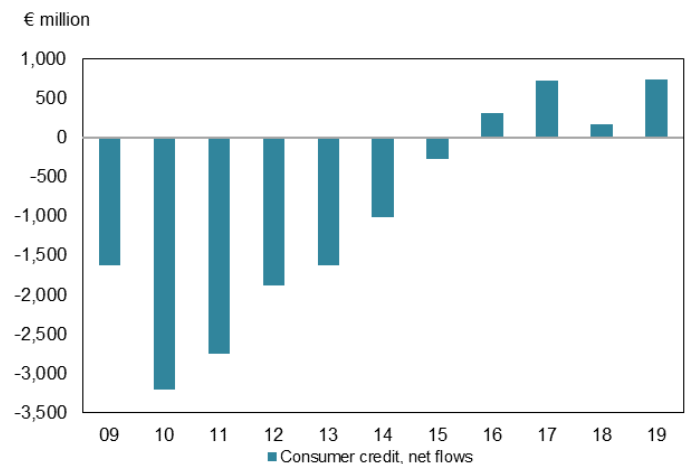
- **Principal-Dwelling House (PDH) fixed-rate** mortgages continued to increase in the first half of the year, resulting in consistent positive growth in the series (Chart 2). Conversely, **PDH floating-rate** mortgages, which currently represent 66 per cent of the PDH market, continued to decline.
- **BTL floating-rate** mortgages also continued to decline with tracker mortgages being the main driver of the fall.
- The **Herfindahl-Hirschman Index²** for new Irish mortgage credit remains at a high level indicating a more concentrated, or less competitive lending market.
- **Consumer lending** decreased in net terms by €27 million in August, marking the largest monthly decline since May 2018. However, for the twelve-month period to end-August, net consumer lending remained strong at €734 million (chart 3).

Chart 2: PDH fixed and floating-rate loans; quarterly



Source: Money and Banking [Table A.18.1](#)

Chart 3: Net consumer lending (12-month sum)

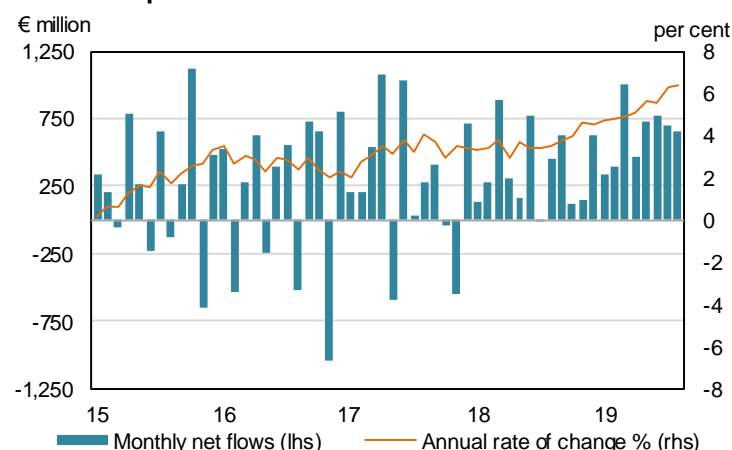


Source: Money and Banking [Table A.1](#)

² See note 2 on page 4

- **Household deposits** recorded a monthly net inflow into Irish banks of €653 million in August, continuing a strong trend of growth. In annual terms, lodgements were €6.6 billion higher than withdrawals, representing growth of 6.4 per cent over the year.
- **Overnight deposits**, which include current accounts, were the main driver of the increase in household deposits as savers continue to favour short-term deposit accounts (Chart 4).

Chart 4: Deposits from Households



Developments in NFC credit and deposits

- **Lending to non-financial corporations (NFCs)** fell by €459 million during August, with declines occurring in all maturity brackets; the largest decline was in the medium-term lending category.
- On an annual basis however, new drawdowns exceeded repayments by €940 million, or 2.3 per cent. The positive annual NFC net lending figure was mainly attributable to the medium-term loan category, which rose by €1.4 billion (Chart 5).
- **NFC deposits** increased by €67 million in August. The increase was driven by growth of €448 million in overnight deposits, but was largely offset by a decline of €391 million within the agreed maturity of up to two years category.
- **The annual growth rate in total NFC deposits** has been consistently positive since late 2012, and stood at 9.7 per cent at end-August (Chart 6).

Chart 5: Loans to NFCs; net flows (12-month sum) by original maturity

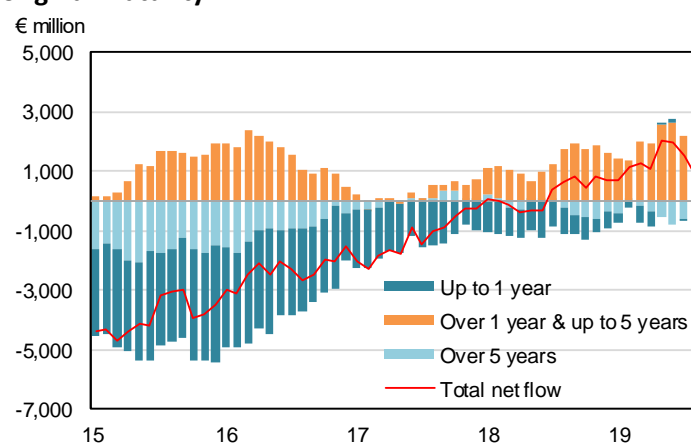
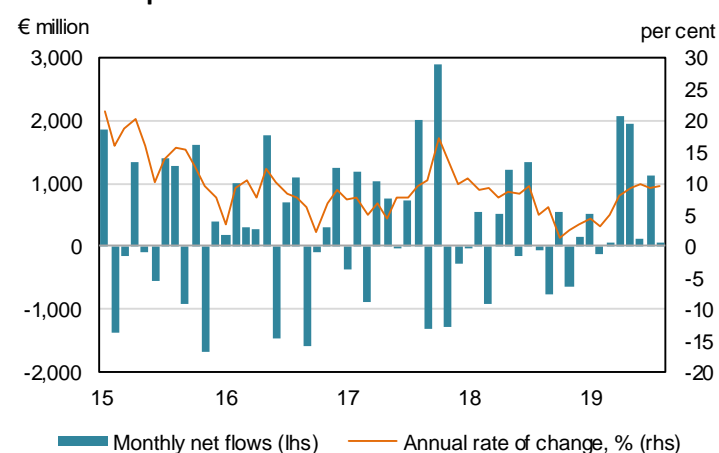


Chart 6: Deposits from NFCs



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](#); [HHI Indicators](#)
- 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:

The Herfindahl-Hirschmann Index (HHI) is a measure of the level and trend of concentration in a particular market. The HHI is calculated by squaring each entity's market share (relative to the total market), and summing the values attained. A higher index represents a more concentrated, or less competitive lending market. A decrease indicates the opposite. Table A.22.1 provides enhanced analysis of competitiveness in the Irish mortgage market.

Keywords:

Money and Banking Statistics, Irish Financial Statistics, Loans, Deposits, Household Debt, Mortgage, Consumer, Repayments, Securitisations.