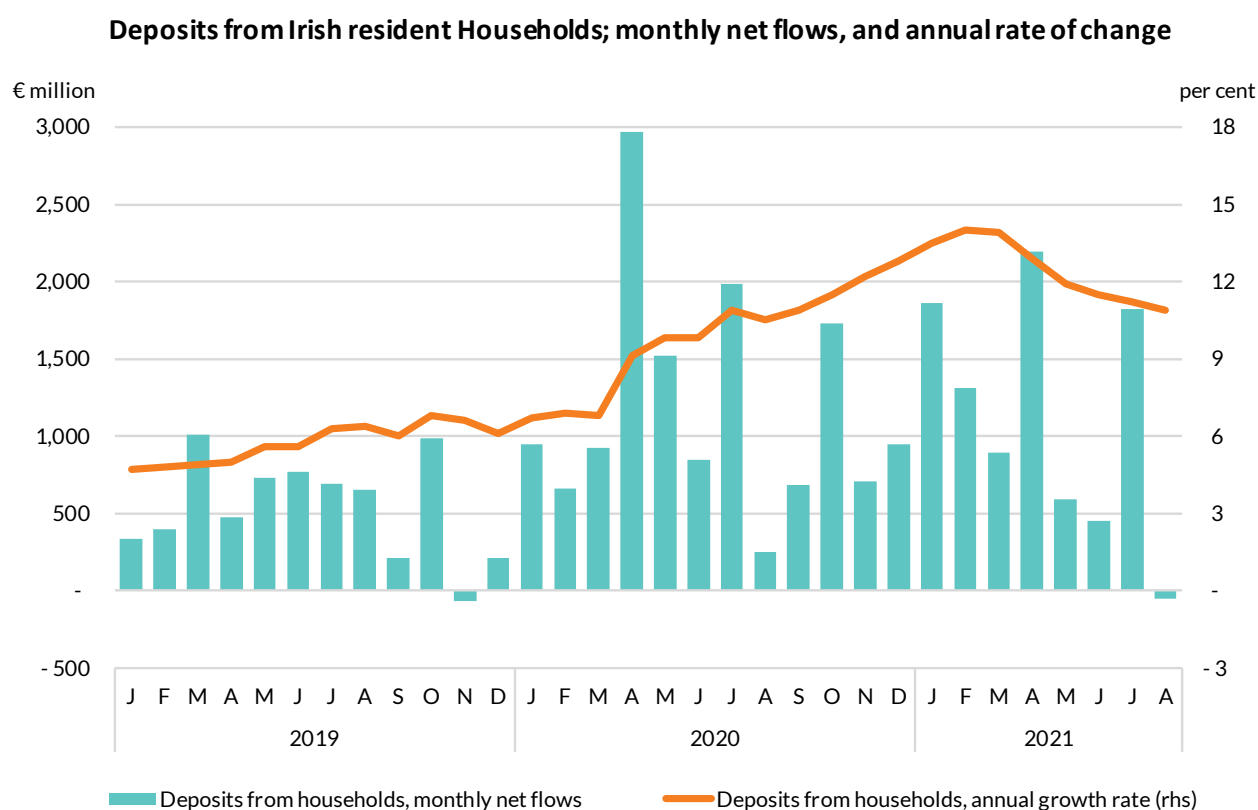




Money and Banking Statistics¹ – August 2021

In August 2021, Irish household deposits declined for the first time since November 2019. As COVID-19 restrictions eased, withdrawals exceeded lodgements by €56 million. The annual growth rate in deposits has declined from a COVID-19 period high point of 14 per cent, to a current rate of 10.9 per cent.



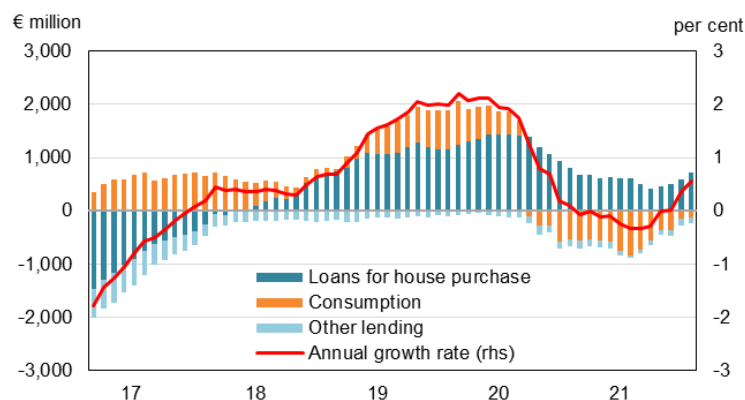
Source: Money and Banking [Table A.1](#)

¹ See notes on page 4.

Developments in Household credit and deposits

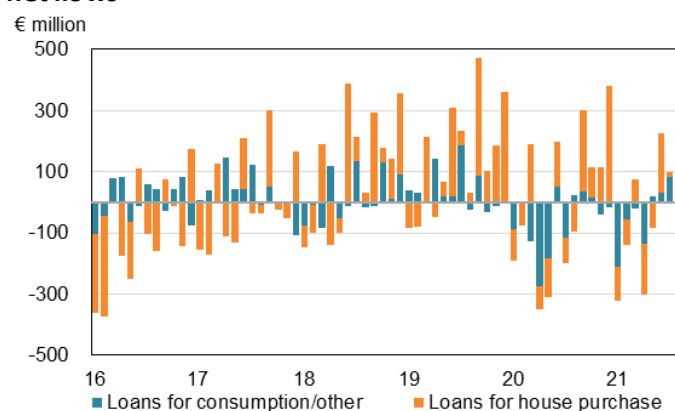
- **Net lending to households** increased by €77 million in August 2021. This contrasts with August 2020, where repayments exceeded drawdowns by €74 million. In annual terms, net lending increased by €479 million in August 2021, or 0.6 per cent (Chart 1).
- **Loans for house purchase** increased by €24 million in net terms over the month, contrasting with the same month in 2020 (minus €97 million). In annual terms, the growth rate remained positive, at 1.0 per cent, down from 1.1 per cent recorded a year earlier (Chart 2).
- **Consumer Lending** remained positive in August 2021, where a net increase of €59 million was recorded. Despite this, the annual growth rate in the year to end-August remained negative, with consumer lending decreasing by €125 million or 1.1 per cent.
- **Deposits from households** stood at €134 billion at end-August 2021. For the first time since November 2019, withdrawals of household deposits exceeded lodgements by €56 million in August 2021 (Chart 3). In annual terms, net household deposits increased by €13.1 billion, or 10.9 per cent. Overnight deposits, which include current accounts, continue to be the driver of the monthly and annual increases in household deposits.

Chart 1: Loans to Households; developments in annual net flows, and annual rate of change



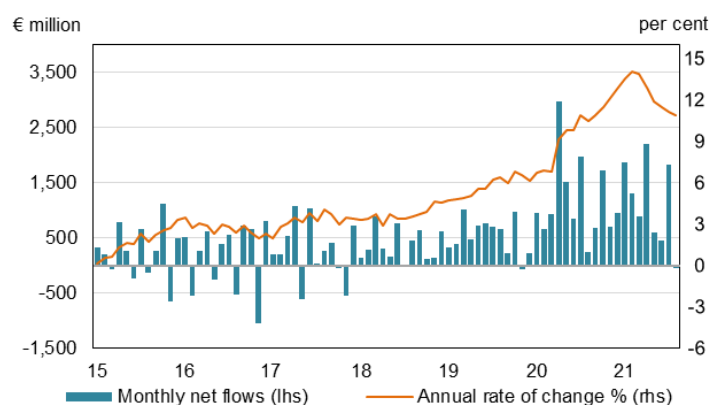
Source: Money and Banking [Table A.1](#)

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](#)

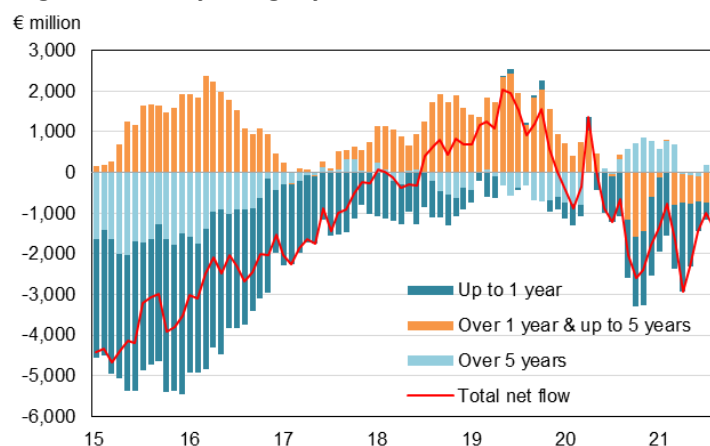
Developments in NFC credit and deposits

- **Net lending to non-financial corporations (NFCs)** was negative in August 2021, decreasing by €277 million during the month. On an annual basis, NFC loan repayments exceeded drawdowns by €1.3 billion. The annual rate of change in total NFC lending was minus 3.5 per cent; this compares with a growth rate of minus 1.7 per cent in August 2020 (Chart 4).
- **Deposits from NFCs** remained positive in August 2021, increasing in net terms by €868 million. In annual terms, NFC deposits increased by €8.9 billion, or 13.1 per cent. This compares with an annual growth rate of 16.5 per cent recorded in August 2020 (Chart 5).

Developments in other counterparty sectors

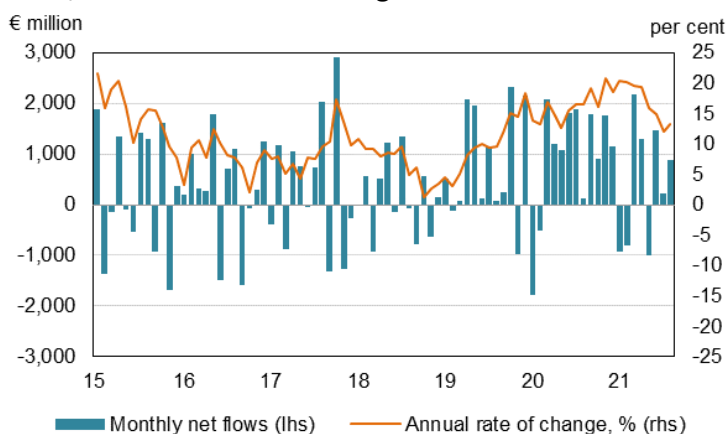
- **Total bank lending** to Irish resident sectors declined by 3.4 per cent in the year to end-August 2021 (Chart 6), partly driven by a decline in lending to the private sector, which experienced a fall of 1.95 per cent.
- **Banks' holdings of deposits** from the Irish resident private sector continued to record strong inflows, with annual growth at 12.6 per cent as at end-August 2021. Irish resident households remain the largest contributing sector to deposits on banks' aggregate balance sheet.
- **Irish-resident banks' outstanding borrowing from the Central Bank as part of Eurosystem monetary policy operations** remains unchanged in August, standing at €24 billion.

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



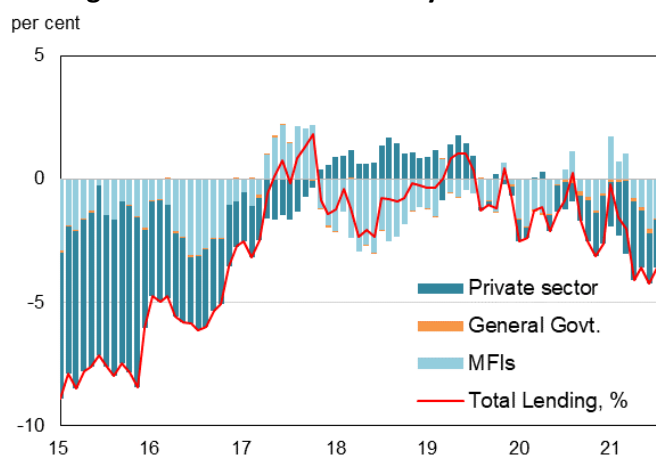
Source: Money and Banking [Table A.5](#)

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



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

Chart 6: 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](#).

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.