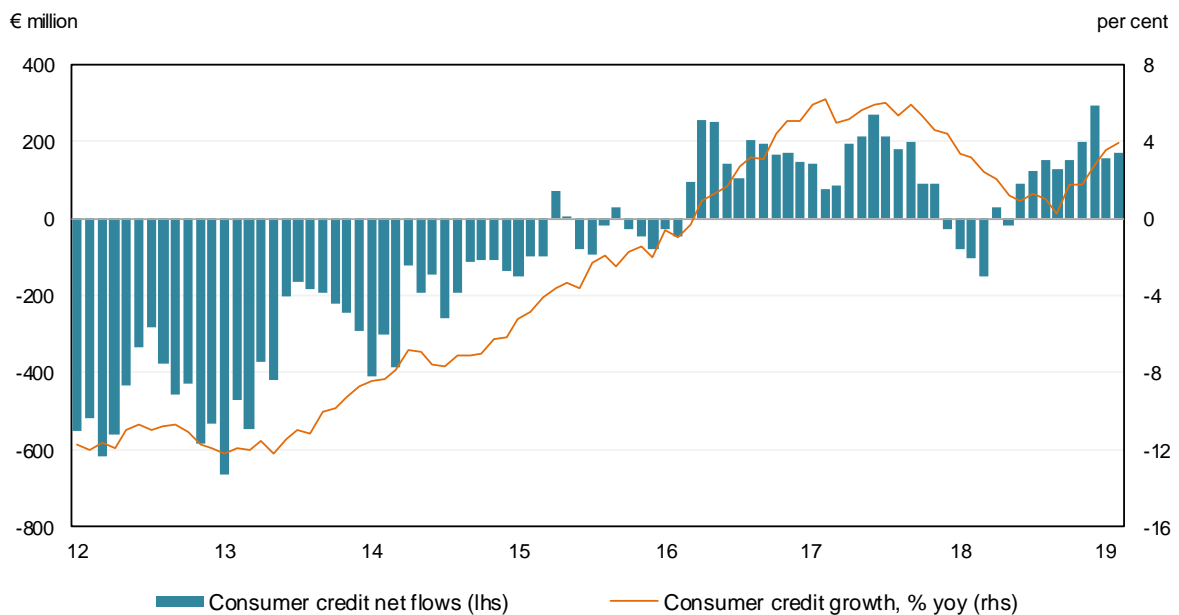




Money and Banking Statistics¹ – February 2019

Consumer loans advanced by Irish banks exceeded repayments by €504 million in the year to end-February 2019. This increase marked the largest annual increase since December 2017 as loans for consumption purposes continue to rebound following slower growth recorded during 2018. Medium-term loans are the predominant driver of growth in consumer loans.

Consumer loans; net flows (3-month sum), annual rate of growth



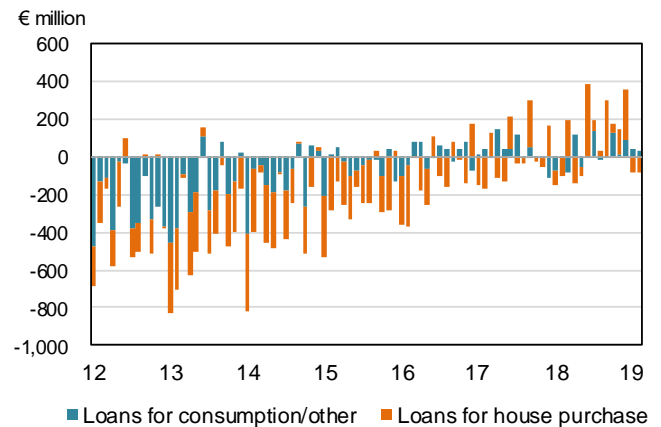
Source: Money and Banking [Table A.1](#)

¹ See note 1 on page 4.

Developments in Household credit and deposits

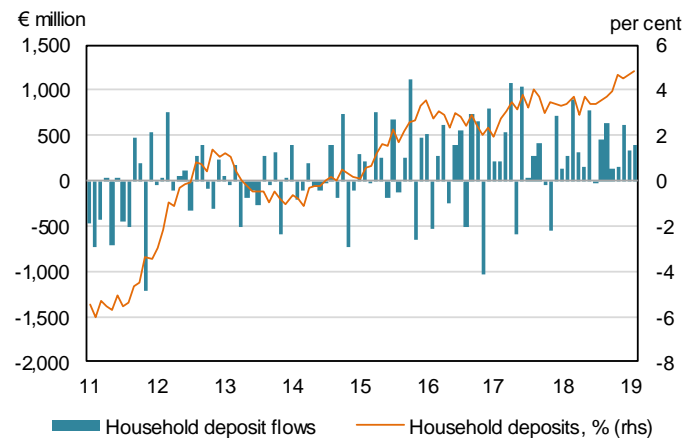
- **Loans to households** increased by 1.6 per cent in annual terms to end-February. This represented the highest annual increase in loans to households since June 2009.
- **Mortgage loans**, which account for 83 per cent of total on-balance sheet loans, decreased in net terms by €82 million in February (Chart 1). Developments in January and February likely reflect seasonal effects in the data. Annual growth in the year to end-February was €1.1 billion, or 1.4 per cent.
- **Net consumer lending** was €36 million in February. For the twelve-month period to end-February, net lending was €504 million, marking the largest annual increase since December 2017.
- **Net lending for other purposes** was negative in February, with repayments exceeding new lending by €5 million.
- **Household deposits** recorded a net inflow of €397 million in February. In annual terms, household deposit lodgements were €4.8 billion higher than withdrawals, representing growth of 4.8 per cent over the year (Chart 2). This represents the largest year-on-year growth in the series since 2008.
- **Overnight deposits**, which includes current accounts, was the predominant driver of the increase within household deposits on both a monthly and annual basis. In annual terms, overnight deposits marked its largest increase since August 2017.
- **Irish households continued to be net funders of the banking system.** Banks held €14.9 billion more in household deposits than loans at end-February, with the loan-to-deposit ratio remaining at 0.86 (Chart 3). This continues the trend seen in recent years of significant excesses of household deposits over household loans.

Chart 1: Loans to Households; developments in net flows



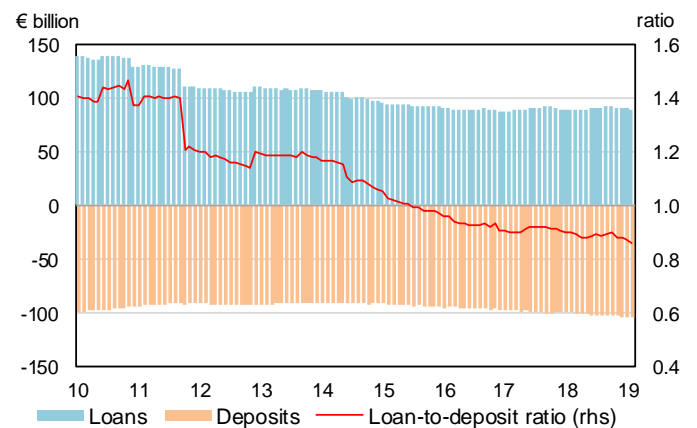
Source: Money and Banking [Table A.1](#)

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



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

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



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

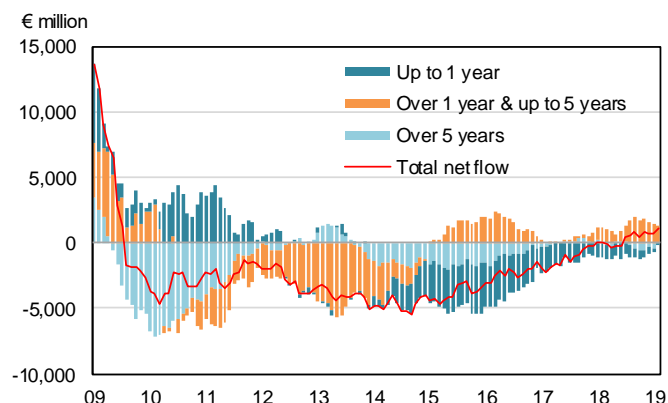
Developments in NFC credit and deposits

- **Net lending to non-financial corporations (NFCs)** was €81 million in February; this fully reversed the net decline in January. In annual terms, NFC lending remained positive at €1.2 billion, signifying the highest annual increase since July 2009.
- The monthly increase in NFC loans was mainly attributable to long-term loans of €156 million, which was partly offset by declines within the remaining two maturity categories. In the year to end-February, lending to NFCs of over five years increased by €9 million; this increase reverses six consecutive annual declines recorded in this category (Chart 4).
- **NFC deposits** declined by €133 million in February (Chart 5). This decline was predominantly driven by a decline in deposits with agreed maturity of up to two years, which reverses the large increase recorded in January.

Developments in other counterparty sectors

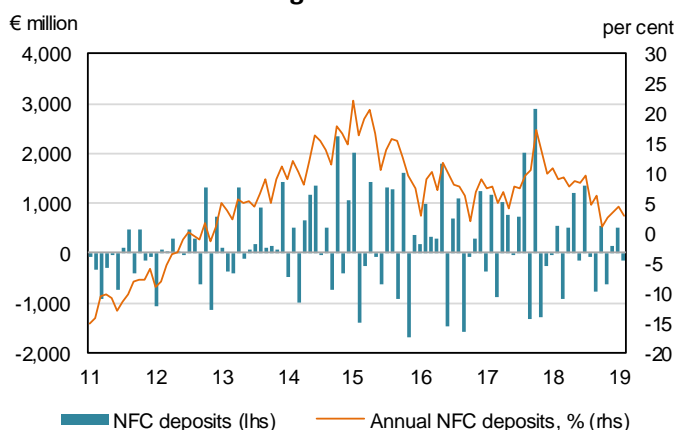
- **Annual growth in total bank lending** remained negative at end-February at minus 0.4 per cent, driven by continued weakness in lending to monetary financial institutions (MFIs) (Chart 6). Lending to the private sector, which accounted for 78 per cent outstanding loans, recorded annual growth of 1.4 per cent.
- **Credit institutions' holdings of Irish-issued debt and equity securities** decreased in net terms by €681 million, or 1.1 per cent, in February.
- **Irish-resident banks' outstanding borrowing from the Central Bank as part of Eurosystem monetary policy operations** remained steady at €3 billion in February.

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



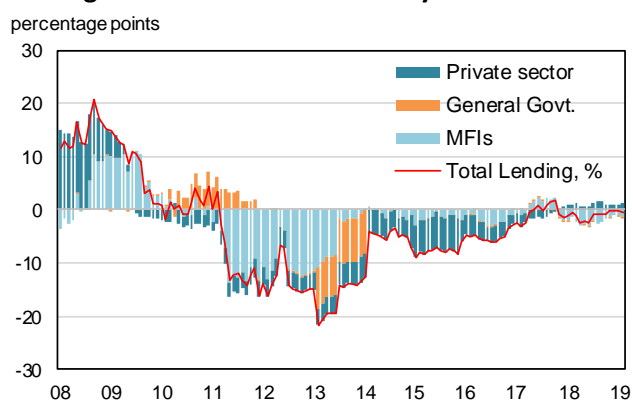
Source: Money and Banking [Table A.5](#)

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](#).

Irish-headquartered banks refers to institutions whose ultimate parent entity is resident in Ireland.

Keywords:

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