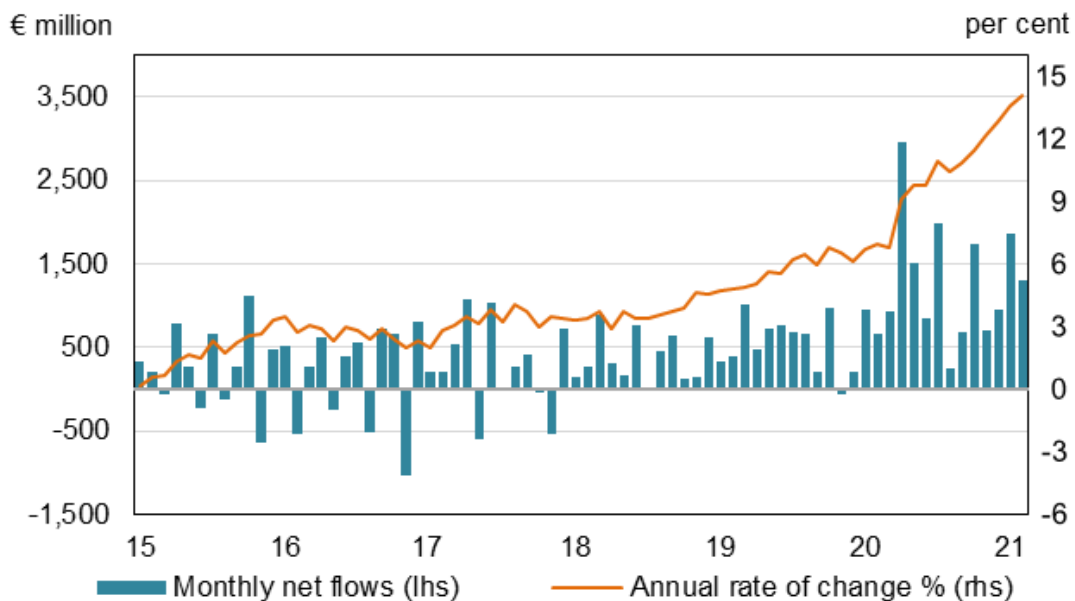




## Money and Banking Statistics<sup>1</sup> – February 2021

In February 2021, with Level 5 restrictions still in place, Irish household deposits reached a historic high of almost €128 billion at month-end, increasing by €15.7 billion or 14 per cent in the 12 months to end-February. This represents the highest annual increase in household deposits seen since the series began. Deposits from Irish resident households increased by €1.3 billion over the month of February; this compares with a €662 million inflow in the same month in 2020. The growth in household deposits reflects reduced spending due to the Covid-19 containment measures.

### Deposits from Irish resident households; developments in net flows, and annual rate of change



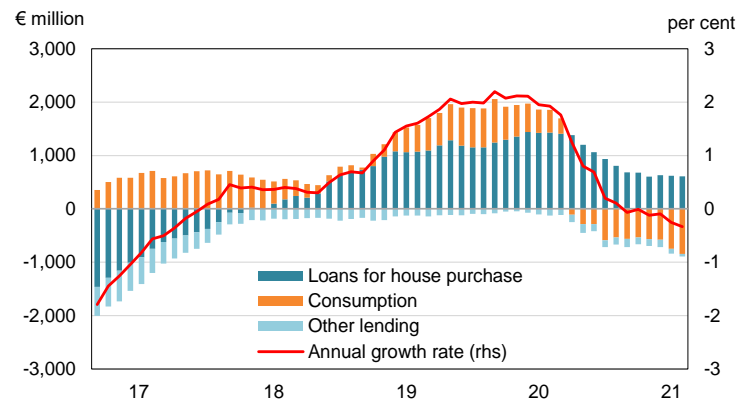
Source: Money and Banking [Table A.1](#)

<sup>1</sup> See notes on page 4.

### Developments in Household credit and deposits

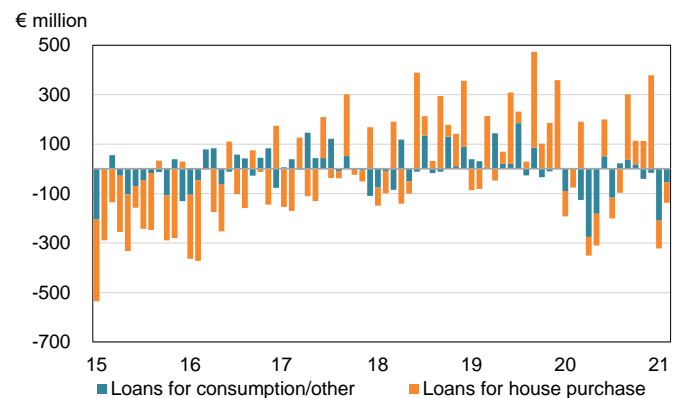
- **Net lending to households** decreased by €138 million in February 2021, marking the second consecutive monthly decline, and continuing a trend of subdued lending flows. In annual terms, repayments exceeded new lending by €280 million or 0.3 per cent, representing the largest decline since April 2017 (Chart 1).
- **Loans for house purchase** decreased by €83 million in net terms over the month (Chart 2). In annual terms, the growth rate in February remained positive, at 0.8 per cent, down from 1.9 per cent a year earlier. Annual mortgage lending net flows of €613 million were the lowest recorded since November 2020.
- **Consumer Lending** saw a net decline of €70 million in February 2021. On an annual basis, repayments exceeded new lending by €844 million or 6.7 per cent, marking the lowest annual growth rate recorded since October 2014. In February, net flows in convenience and extended credit card debt and overdrafts (including revolving loans) remained negative; term lending also remained negative (see Note 3). Overall, consumer and other household lending declines would have been larger if it was not for the agreement of payment breaks.
- **Deposits from households** continued to reach new heights, and stood at €127.8 billion at end-February 2021. Over the month, households’ deposits recorded a net inflow of €1.3 billion (Chart 3). In annual terms, lodgements exceeded withdrawals by €15.7 billion, or 14 per cent; representing the highest annual increase in household deposits since the series began. Overnight deposits, which include current accounts, were 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**



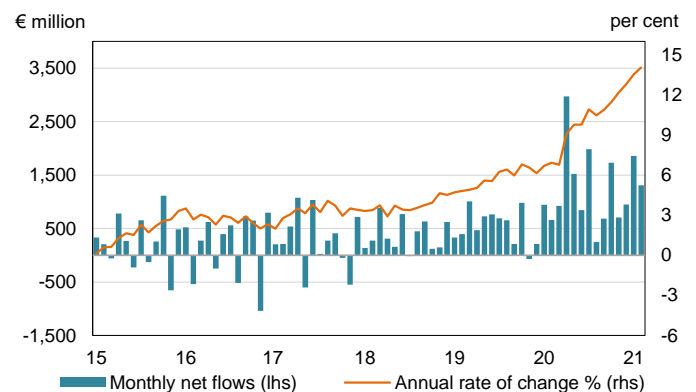
Source: Money and Banking [Table A.1](#)

**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](#)

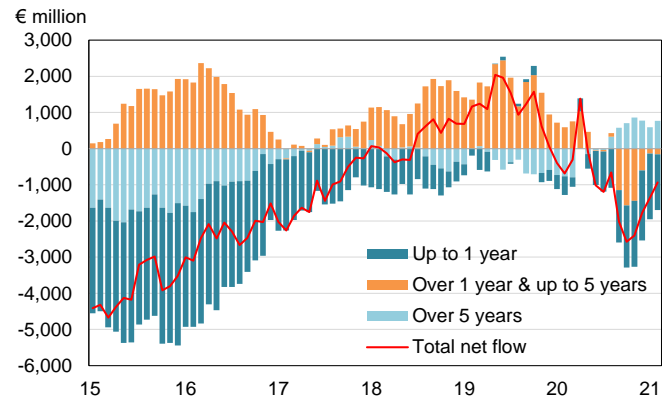
### Developments in NFC credit and deposits

- **Net lending to non-financial corporations (NFCs)** turned positive in February, amounting to €217 million during the month. However, on an annual basis, loan repayments exceeded drawdowns by €931 million or 2.5 per cent (Chart 4).
- The monthly net flow in **deposits from NFCs** remained negative in February, declining by €813 million. This monthly decrease was mainly attributable to overnight deposits and repurchase agreements. On an annual basis, NFC deposits increased by almost €12 billion, representing an annual growth rate of 20.1 per cent (Chart 5). This annual increase was also driven by overnight deposits and repurchase agreements.

### Developments in other counterparty sectors

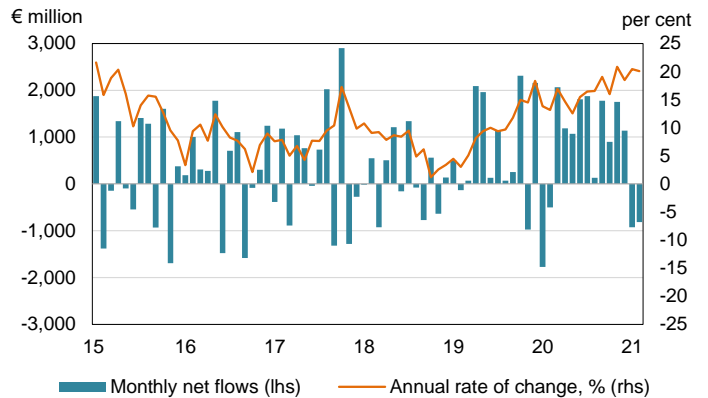
- **Total bank lending** to Irish resident sectors declined by 1.6 per cent in the year (Chart 6), driven by a decline in lending to the private sector, which experienced a fall of 2.1 per cent.
- **Banks' holdings of deposits** from the Irish resident private sector continued to record strong inflows, with annual growth reaching 15.6 per cent. Irish resident households remain the largest contributing sector to deposits on banks' aggregate balance sheet.
- **Credit institutions' holdings of Irish-issued debt and equity securities** recorded a net increase of €10 million in February 2021.

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



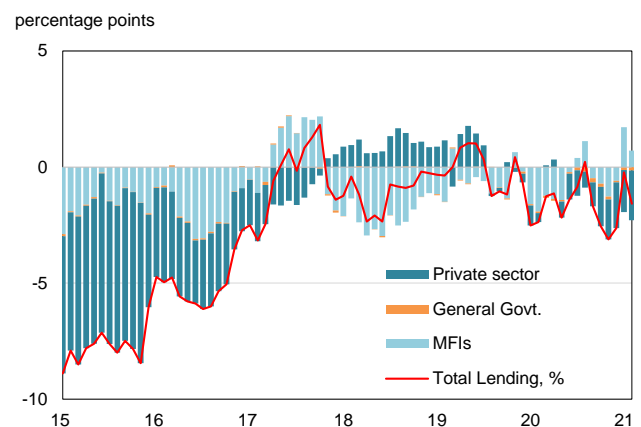
Source: Money and Banking [Table A.5](#)

**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, June 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.