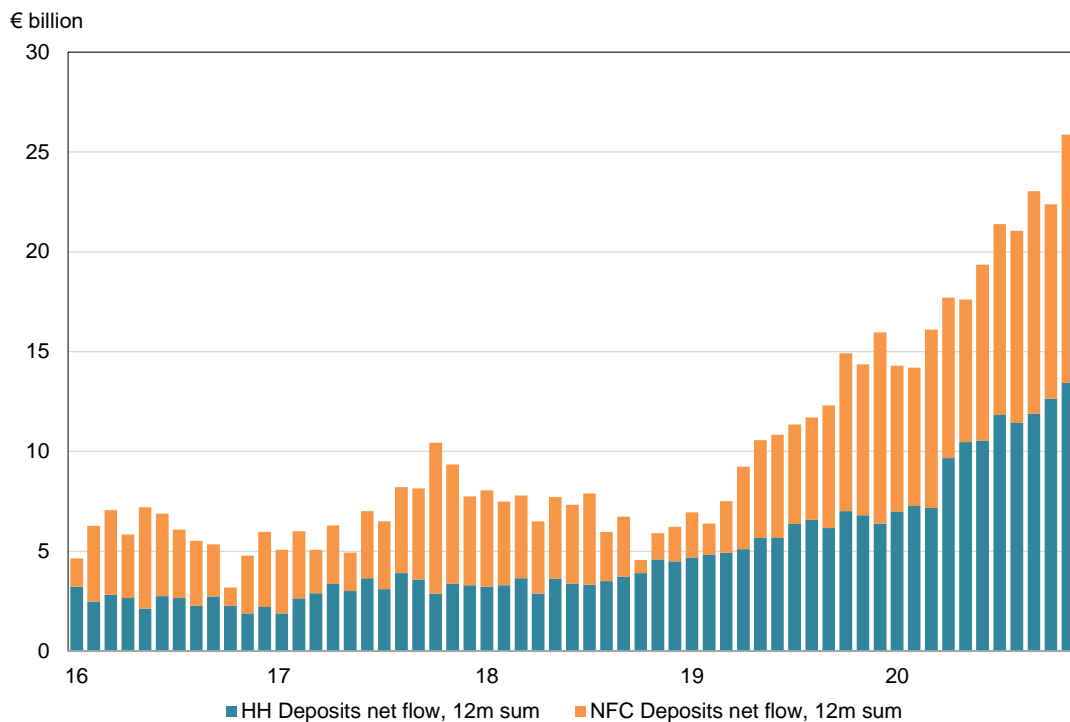




Money and Banking Statistics¹ – November 2020

Deposits from Irish households and non-financial corporations (NFCs) continued to record strong growth in November, as the impact of COVID-19 continued to diminish individuals' opportunity and willingness to spend, and likely induced further precautionary savings². Household and NFC lodgements exceeded withdrawals by €2.5 billion in the month, continuing strong bank deposit trends observed this year. At end-November, the outstanding amount of household and NFC deposits were the highest on record, standing at €124 billion and €72 billion, respectively.

Deposits from Households and NFCs; developments in net flows, 12-month sum



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

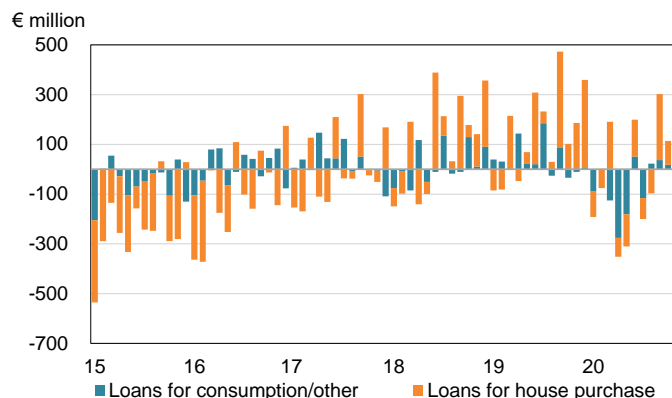
¹ See notes on page 4

² Central Bank of Ireland, Economic Letter (December 2020): "The impact of Covid-19 on consumer spending" (Byrne, Hopkins, McIndoe-Calder, Sherman) <https://www.centralbank.ie/docs/default-source/publications/economic-letters/the-impact-of-covid-19-on-consumer-spending.pdf?sfvrsn=7>

Developments in Household credit and deposits

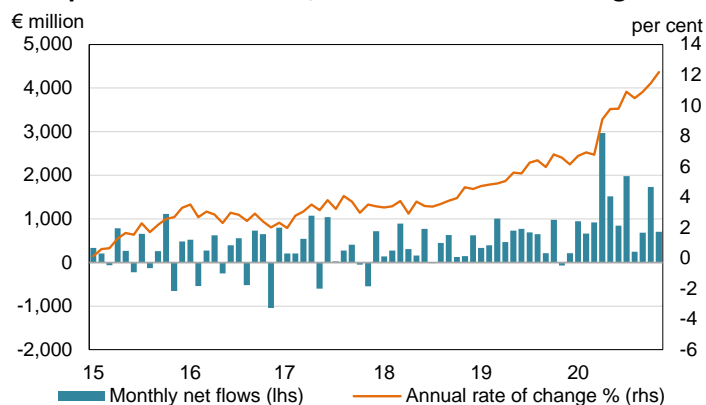
- **Net lending to Irish households** increased in November 2020, with households drawing down €72 million more than was repaid (Chart 1). The annual growth rate declined in November, to minus 0.1 per cent, reflecting subdued lending flows in recent months. This contrasts with November 2019, where drawdowns exceeded yearly repayments by €1.9 billion.
- **Loans for house purchase** exceeded repayments by €113 million in November 2020; this compares to a net increase of €186 million in November 2019. In annual terms, the growth rate remained positive, at 0.8 per cent, down from 1.8 per cent a year earlier. Annual mortgage lending net flows of €606 million were the lowest since June 2018.
- **Consumer Lending** saw a decline of €39 million in November 2020. On an annual basis, repayments exceeded new lending by €567 million over the year to end-November. This continues the trend of excess repayments over gross new lending seen since April this year.
- **Deposits from households** recorded a net inflow of €706 million in November 2020 (Chart 2). In annual terms, lodgements exceeded withdrawals by €13.4 billion, or 12.2 per cent; this was the highest annual increase in household deposits seen since the series began.
- **Overnight deposits**, which includes current accounts, were the driver of both the monthly and annual increases in household deposits (Chart 3). Overnight deposits recorded a net increase of €992 million in November and grew by €15.9 billion, or 17.5 per cent, in annual terms.

Chart 1: Loans to Households; developments in net flows



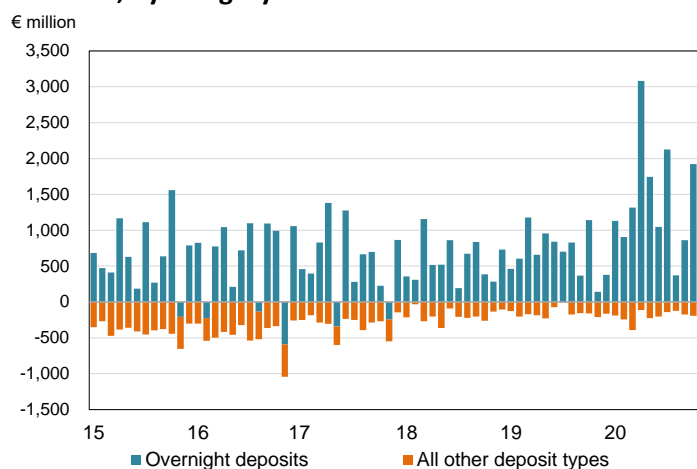
Source: Money and Banking [Table A.1](#)

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



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

Chart 3: Household deposits; monthly developments in net flows, by category



Source: Money and Banking [Table A.11.1](#)

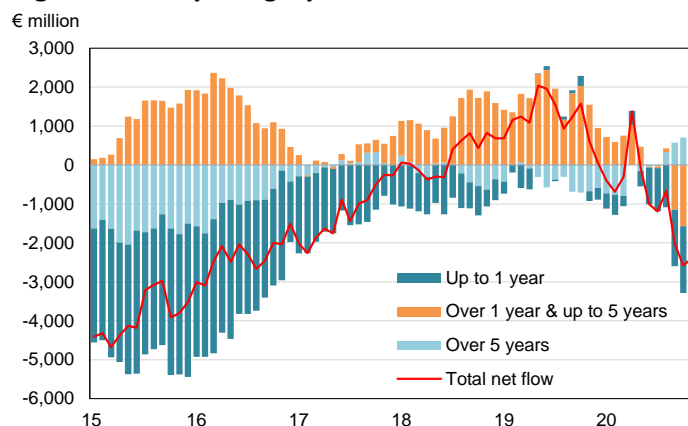
Developments in NFC credit and deposits

- **Net lending to non-financial corporations (NFCs)** turned positive in November, amounting to €178 million during the month. On an annual basis though, loan repayments exceeded drawdowns by €2.4 billion or 6.1 per cent. Short-term loans continued to drive the annual declines recorded in lending to NFCs (Chart 4).
- **Deposits from NFCs** continued to show strong growth, and stood at €71.8 billion at end-November, up by €12 billion, or 20.8 per cent, on the previous year. NFCs' deposits increased by €1.7 billion during November, with overnight deposits driving the increase on both a monthly and annual basis (Chart 5).

Developments in other counterparty sectors

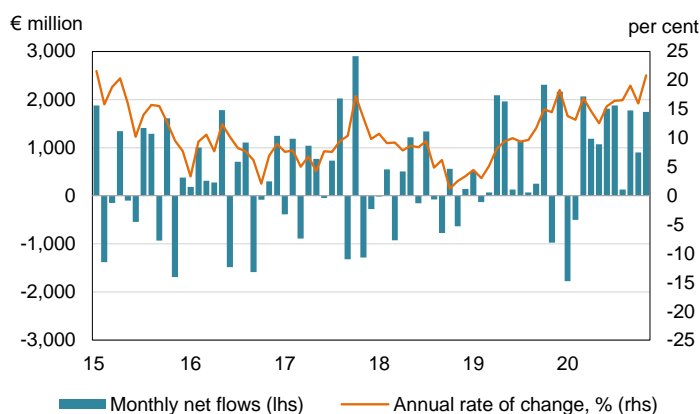
- **Total bank lending** to Irish sectors declined by 3.1 per cent in the year (Chart 6), driven by a decline in lending to the private sector, which experienced a fall of 1.7 per cent.
- **Banks' holdings of deposits** from the Irish resident private sector continued to record strong inflows, with annual growth reaching 16 per cent. 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** increased slightly in November, to stand at €7.3 billion.

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



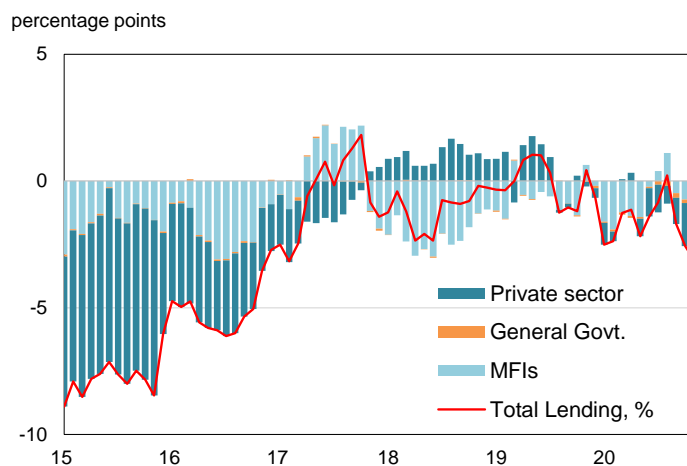
Source: Money and Banking [Table A.5](#)

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



Source: Money and Banking [Table A.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.

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.