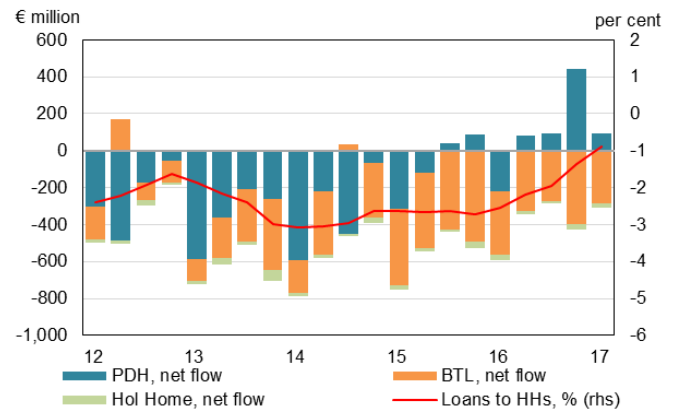


## Trends in Personal Credit & Deposits – Q1 2017

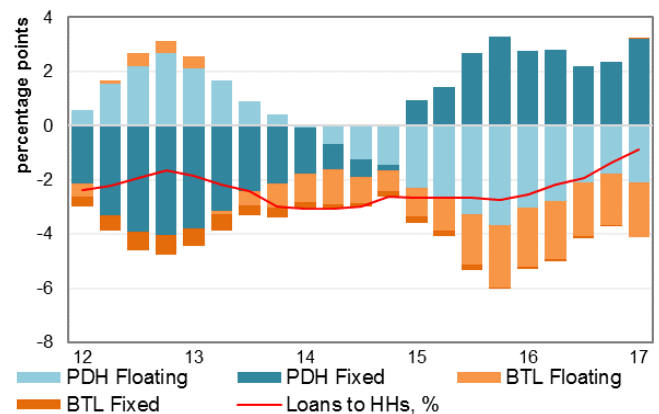
### Key Developments

- Principal dwelling house (PDH) mortgages recorded net positive inflows of €93 million over the first quarter of 2017 (Chart 1). This marked the fourth consecutive quarter of growth.
- Within this increase, PDH fixed-rate loans recorded a net increase of €615 million over the quarter, in contrast to floating rate loans, which recorded a fall of €522 million (Chart 2). This continues to reflect an increasing number of borrowers entering into fixed-rate contracts in the current lower interest rate environment.<sup>1</sup>
- Following last quarter's positive transaction, lending for house purchase turned negative with net repayments of €213 million over the quarter. However, this development masks divergent trends between the PDH and buy-to-let (BTL) markets, with BTL mortgages decreasing by €288 million and PDH mortgages growing by €93 million over the quarter.
- Household deposits increased by €2.5 billion (2.7 per cent) over the year to end-March 2017 (Chart 3). This marked the tenth consecutive quarter of positive flows in the series.

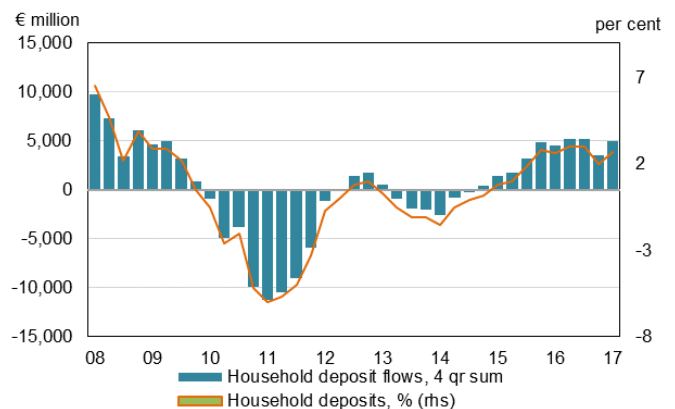
**Chart 1: Loans for house purchase; quarterly developments in net flows and annual rate of change**



**Chart 2: Contributions of PDH and BTL, floating and fixed-rate loans to annual growth in mortgages**



**Chart 3: Household deposits; net flows (4-qr sum) and annual rate of change**

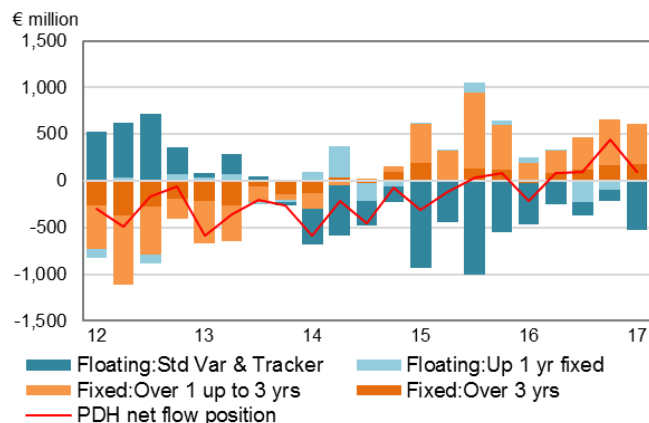


<sup>1</sup> See [Retail Interest Rates release](#) for more information.

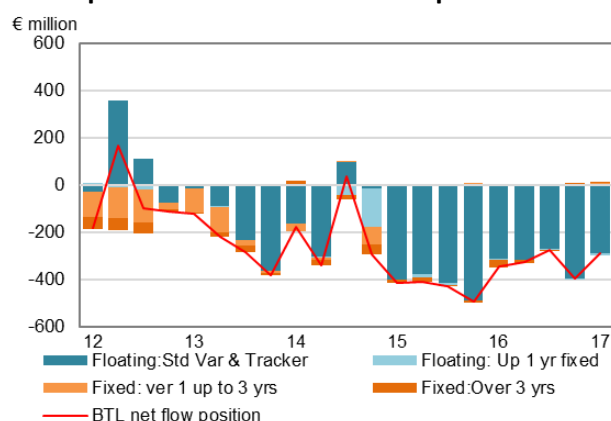
### Developments in PDH Loans

- Fixed-rate mortgages, which currently represent 16 per cent of the PDH market, increased over Q1 2017, with new drawdowns exceeding repayments by €615 million. The increase was mostly attributable to an 8.5 per cent, or €432 million, increase within fixed-rate loans of over one and up to three years (Chart 4). The over three years rate fixation category also contributed to the quarterly increase, with growth of €182 million over the quarter.
- PDH floating-rate mortgages declined in net terms by €522 million during Q1 2017.<sup>2</sup> This resulted from quarterly declines across all categories including tracker mortgages (€384 million) and standard variable rate mortgages (€124 million), which account for 39 per cent and 43 percent of PDH mortgages respectively (Chart 4).
- In annual terms, PDH fixed-rate loans recorded a net increase of €2.1 billion (26.8 per cent). Conversely, PDH floating-rate loans declined by €1.3 billion (2.6 per cent) over the same period.

**Chart 4: PDH fixed and floating-rate loans; quarterly developments in net flows and net position**



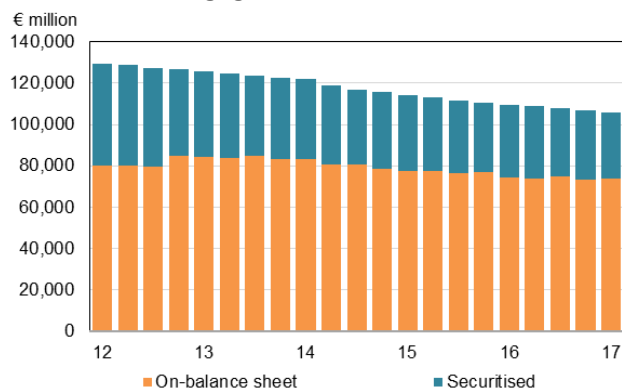
**Chart 5: BTL fixed and floating-rate loans; quarterly developments in net flows and net position**



### Developments in BTL Loans

- BTL mortgages recorded a year-on-year decrease of €1.3 billion, or 9 per cent, at end-March.
- BTL floating-rate loans declined, in net terms, by €297 million (2.3 per cent) during Q1 2017. The decline in floating-rate loans was present across all categories. Tracker mortgages experienced a €162 million decrease over the quarter while standard variable rate mortgages witnessed a fall of €128 million (Chart 5).

**Chart 6: Outstanding stock of on-balance sheet and securitised mortgages**



<sup>2</sup> Floating rate loans include loans fixed for up to one year.

- During the quarter, BTL fixed-rate mortgages increased by €9 million (5.7 per cent), with positive movements in the over one and up to three years category (€7.3 million) being partially offset by the over three years group (€1.7 million).

#### ***Developments in Securitised Loans***

- The total outstanding stock of securitised loans for house purchase stood at €32.1 billion at end-March (Chart 6); there was a decrease of €1.3 billion in the stock over the quarter. Total loans for house purchase, including both on-balance sheet and securitised mortgages, stood at €105.8 billion at end-March 2017.

#### **Further information**

The extensive set of Private Credit Statistics tables, along with a detailed set of explanatory notes is available at:

<http://www.centralbank.ie/polstats/stats/cmab/Pages/HouseholdCredit.aspx>.

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