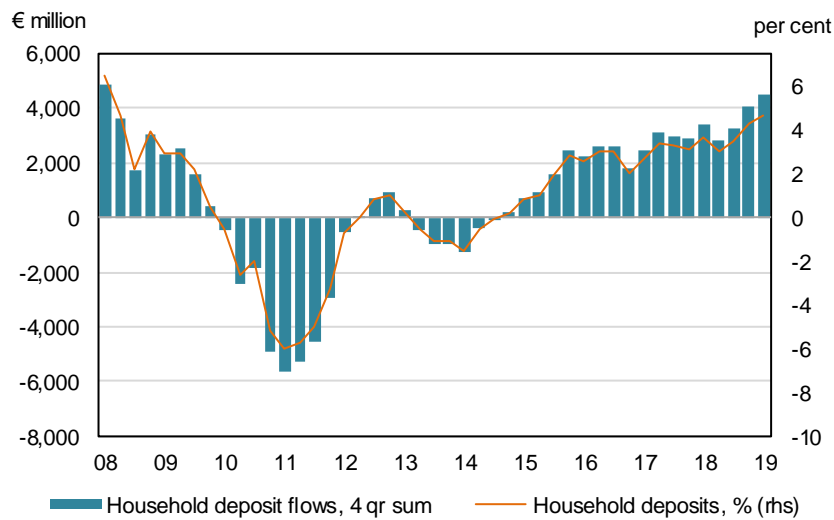




Key Developments

Irish resident banks' holdings of household deposits grew by €1.8 billion, or 1.8 per cent, over the first quarter of 2019. This marked the largest quarterly increase in household deposits since Q4 2008. In annual terms, household deposits continued to grow, increasing by €4.5 billion or 4.7 per cent (Chart 1). This was the eighteenth consecutive quarter of annual growth.

Chart 1: Household deposits; net flows (4-qr sum) and annual rate of change



Loans to Irish Households for House Purchase

- Net new lending for house purchase was €1.1 billion in the year to end-March; the largest annual increase since late 2009.

Developments in PDH Loans

- The growth of fixed-rate loans in the PDH market continued in Q1 2019, with drawdowns of fixed PDH loans exceeding repayments by €1.7 billion during the quarter. This increase was mainly attributable to PDH loans fixed for over three and up to five years (Chart 2).
- PDH fixed-rate loans of over three and up to five years increased by €4.8 billion in annual terms; their largest increase since the series began.
- PDH floating-rate loans declined in net terms by €1.4 billion during Q1 2019.¹ This resulted from quarterly declines in all sub-categories over the quarter, with standard variable rate mortgages recording the most pronounced decline of €820 million.
- In annual terms, PDH floating-rate loans declined by €3.5 billion over the year. On a quarterly and annual basis, PDH floating-rate loans recorded their largest declines since the series began.
- The developments are reflective of an increasing number of borrowers entering into fixed-rate contracts with a lower interest rate than variable rate contracts.²

Developments in BTL Loans

- BTL floating-rate loans declined in net terms by €261 million during Q1 2019. This was owing to quarterly declines in all sub-categories over the quarter, with tracker loans recording the largest decline of €195 million (Chart 3).

Chart 2: PDH fixed and floating-rate loans; quarterly developments in net flows and net position

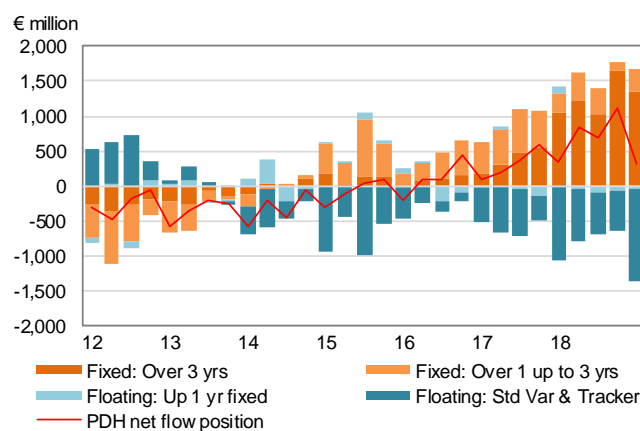
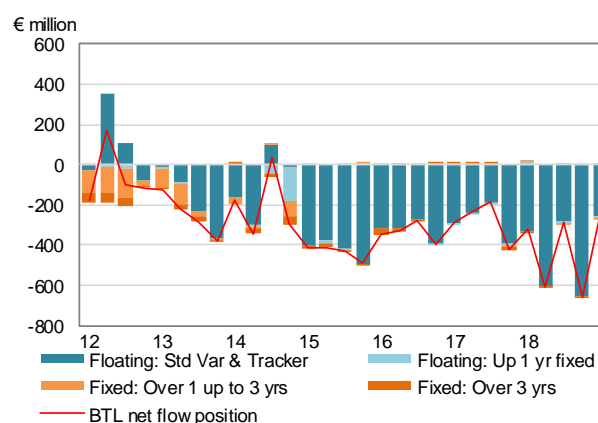


Chart 3: BTL fixed and floating-rate loans; quarterly developments in net flows and net position



¹ Floating-rate loans include loans fixed for up to one year.

² See [Retail Interest Rates release](#) for more information.

- BTL fixed-rate mortgages increased in net terms by €1 million, reversing the quarterly decrease recorded in Q4 2018. This increase was predominantly driven by the over three and up to five year fixed category, which was entirely offset by a decline of €4 million in the over one and up to three year fixation category.

Developments in Securitised Loans

- The total outstanding stock of securitised loans for house purchase stood at €20.3 billion at end-March 2019 (Chart 4), a decline of €1.2 billion over the quarter. This follows a trend of quarterly declines since Q1 2017. Total loans for house purchase, which include both on-balance sheet and securitised mortgages, stood at €94.7 billion at end-Q1 2019.

Other Personal Lending and Deposits

- Other personal lending increased in net terms by €135 million over the quarter. New lending exceeded drawdowns by €619 million in the twelve months to end-Q1 2019; the largest annual increase in personal lending since Q3 2017.

Further information

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

<https://www.centralbank.ie/statistics/data-and-analysis/credit-and-banking-statistics/private-household-credit-and-deposits>

For queries contact: Central Bank, Media Relations at media@centralbank.ie or (01) 224 6299.

Chart 4: Outstanding stock of on-balance sheet and securitised mortgages

