

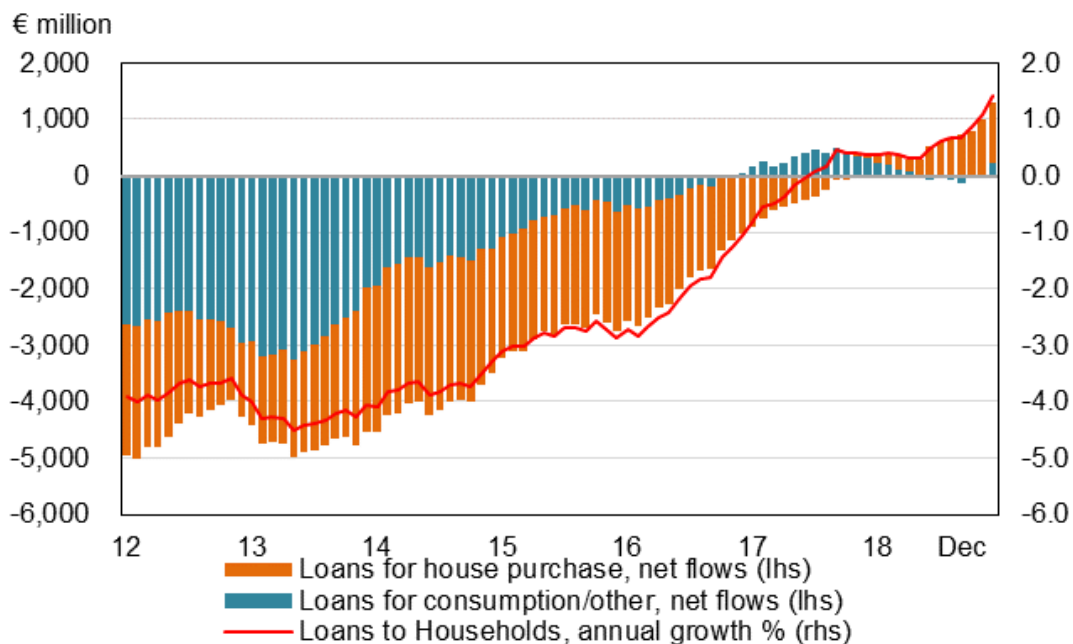


Money and Banking Statistics¹ – December 2018

Lending to households grew by 1.4 per cent or €1.3 billion over 2018. This represents the second consecutive year of positive household loan growth, following the annual declines that occurred since 2009.

Lending for house purchase was the main driver of the increase over 2018, with the remainder owing to consumer credit. This is in contrast to 2017, which saw the increase in household lending driven mainly by consumer credit.

Loans to Households; developments in annual net flows and rate of change



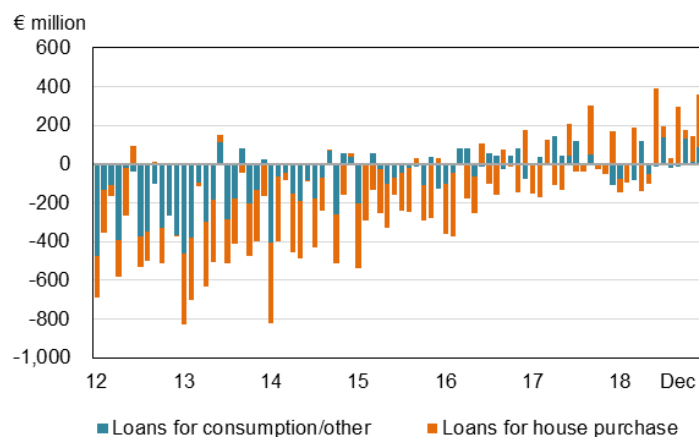
Source: Money and Banking [Table A.1](#)

¹ See note 1 on page 4.

Developments in Household credit and deposits

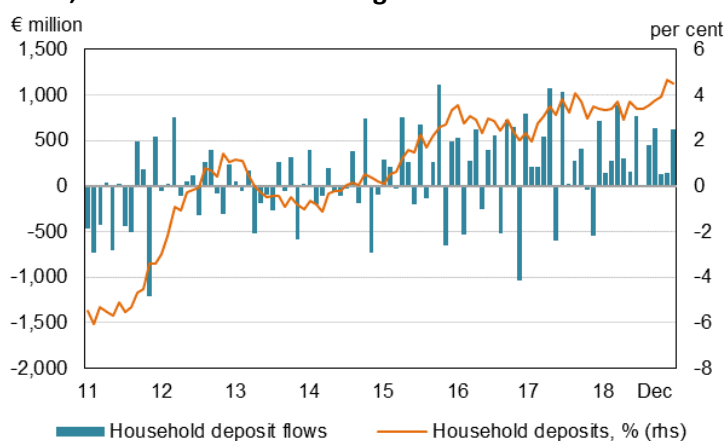
- **Loans to households** increased for the second consecutive year, recording growth of 1.4 per cent over 2018; this compares to growth of 0.4 per cent over 2017.
- During the month of December, **net mortgage lending** was €266 million (Chart 1). Although seasonal effects influence the quarter-end figures, annual growth was €1.1 billion, or 1.4 per cent, in 2018. This compares with an increase of just €15 million for 2017.
- **Net consumer lending** was €76 million in December. New lending exceeded repayments by €362 million over the year, a decline on the €532 million increase seen in 2017.
- **Net lending for other purposes**, such as lending for education, was negative in 2018, with repayments exceeding new lending by €139 million in the year.
- **Deposits from households** recorded a net inflow of €625 million in December. This is an increase on the €148 million net rise recorded in November, conforming to a trend of high household deposit inflows seen in December in recent years. In annual terms, lodgements of household deposits were €4.5 billion higher than withdrawals, with growth of 4.5 per cent (Chart 2).
- **Overnight deposits**, which includes current accounts, drove both the monthly and the annual increases in household deposits. This continues a trend that has existed since 2013.
- **Irish households continued to be net funders of the banking system.** Banks held €12.6 billion more in household deposits than loans at end-December, with the loan-to-deposit ratio standing at 0.88 (Chart 3). This is one of the largest excesses of household deposits over household loans recorded in the history of the series.

Chart 1: Loans to Households; developments in net flows



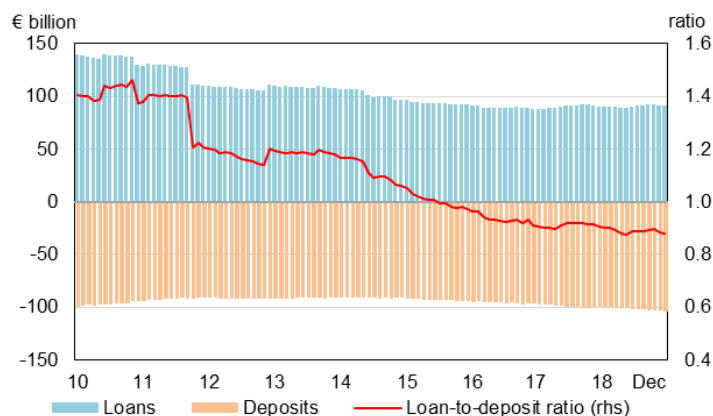
Source: Money and Banking [Table A.1](#)

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](#)

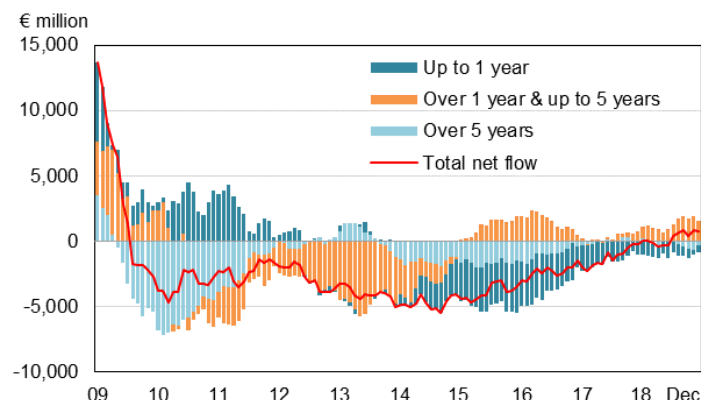
Developments in NFC credit and deposits

- **Lending to non-financial corporations (NFCs)** declined by €467 million in December. For 2018 as a whole however, net lending remained positive at €718 million. Of note, this was the first calendar year of positive NFC loan growth since 2008.
- **Lending to NFCs of one to five year terms** drove the positive flow during 2018, growing in net terms by €1.6 billion, or 11.5 per cent (Chart 4). The annual rate of change in short-term and long-term lending remained negative, declining by 5.2 per cent and 2 per cent, respectively.
- **NFC deposits** recorded a monthly net outflow of €115 million in December (Chart 5). However, over the course of the year, NFC deposit flows were positive, increasing by €1.5 billion or 2.9 per cent.

Developments in other counterparty sectors

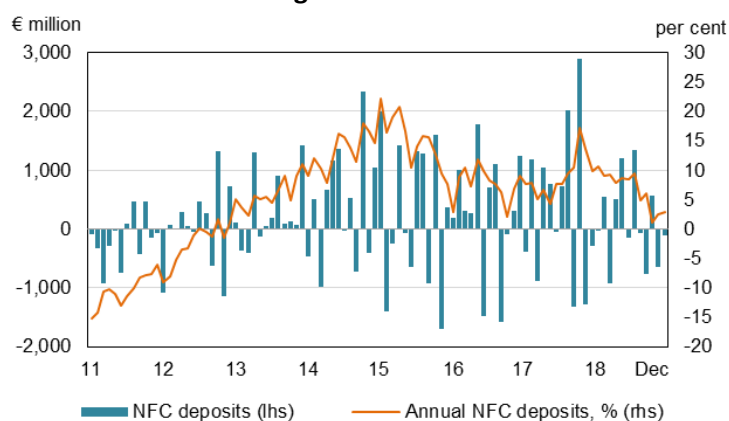
- **Annual growth in total bank lending** remained slightly negative, with a decline in lending of 0.1 per cent in 2018, driven by continued weakness in lending to monetary financial institutions (MFIs) (Chart 6). Lending to the private sector, which excludes the MFI and general government sectors, recorded annual growth of 1.2 per cent.
- **Credit institutions' holdings of Irish-issued debt and equity securities** declined by €2.5 billion in the year.
- **Irish-resident banks' outstanding borrowing from the Central Bank as part of Eurosystem monetary policy operations** declined to €3 billion in December. This is down from €7.5 billion in December 2017, and from a peak of €138.2 billion in 2010.

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



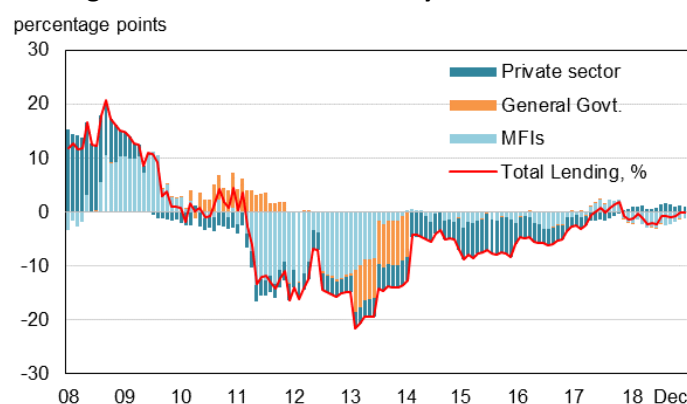
Source: Money and Banking [Table A.5](#)

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](#).

Keywords:

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