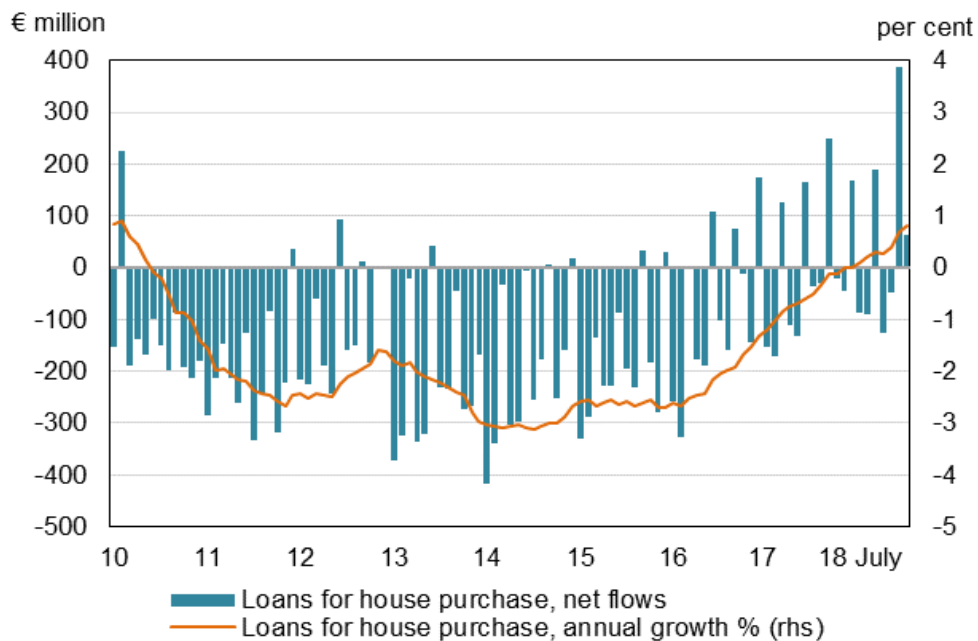




Money and Banking Statistics¹ – July 2018

Loans to households for house purchase increased by €63 million on a net basis in July. The annual growth rate continues to trend upwards, rising to 0.8 per cent in July, representing the ninth consecutive month of positive growth. This is the fastest pace of annual growth since February 2010.

Loans for house purchase; developments in net flows, annual rate of change



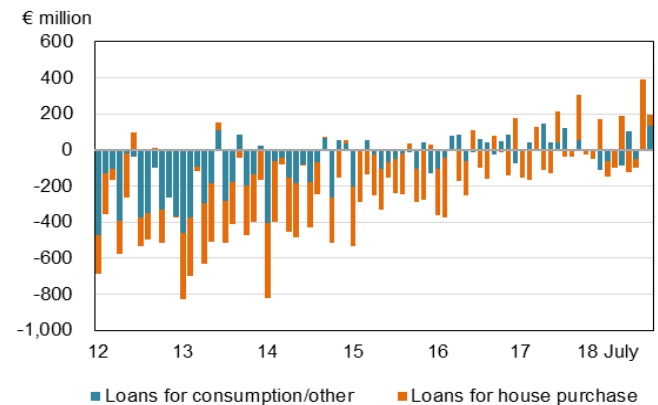
Source: Money and Banking [Table A.1](#)

¹ See note 1 on page 4.

Developments in Household credit and deposits

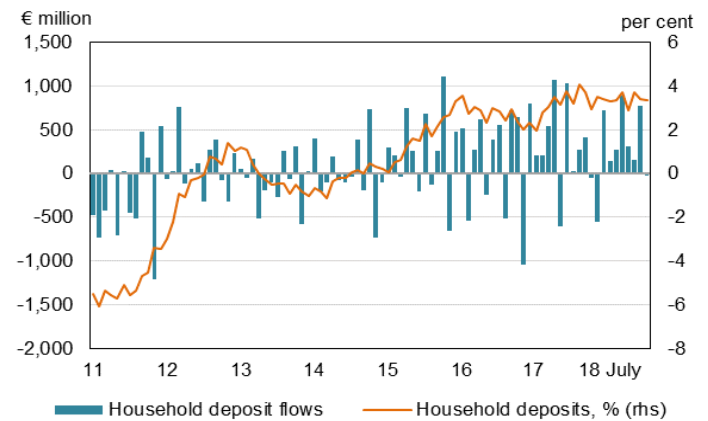
- **Loans to households, adjusted for loan sales and securitisations**, declined by 1.4 per cent in annual terms to end-July.²
- **Mortgage loans**, increased by €63 million on a net basis in July, its second consecutive monthly increase (Chart 1). Over the past number of years, quarter-end monthly figures have been positively affected by technical factors. July is the first non quarter-end month to record a net monthly rise since late 2012, another indicator that mortgage credit is returning to positive growth.
- In year-on-year terms, **net mortgage lending** rose by €617 million or 0.8 per cent. This represents the ninth consecutive month of positive year-on-year growth and the fastest rate of growth since February 2010.
- **Non-housing loans** decreased by 0.4 per cent or €62 million in annual terms to end-July. However, lending for consumption purposes, the largest component of non-housing loans, grew by €132 million annually.
- **Total outstanding household deposits** edged back from last month's record high to €102 billion in July. Household deposits declined by €27 million, ending seven months of consecutive net increases. Annually, household deposit lodgements were €3.3 billion higher than withdrawals, resulting in growth of 3.4 per cent (Chart 2). This annual growth was driven by overnight deposits, all other deposit maturity categories declined on an annual basis.
- **Developments in loans and deposits mean that Irish households continued to be net funders of the Irish banking system.** Banks held €11.2 billion more in household deposits than loans at end-July, with the loan-to-deposit ratio standing at 0.89 (Chart 3).

Chart 1: Loans to Households; developments in net flows



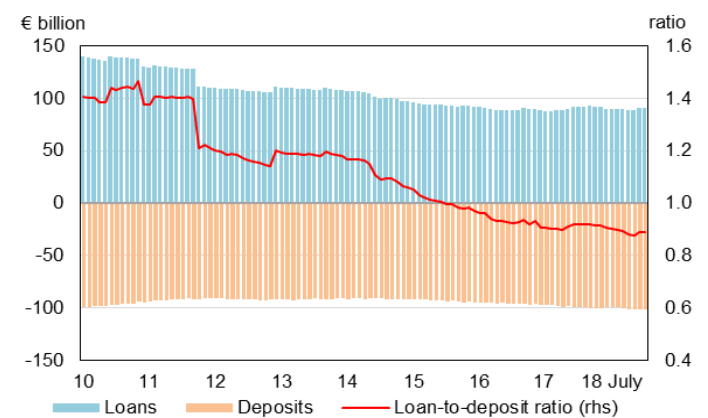
Source: Money and Banking [Table A.1](#)

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](#)

² See Note 2 on page 4.

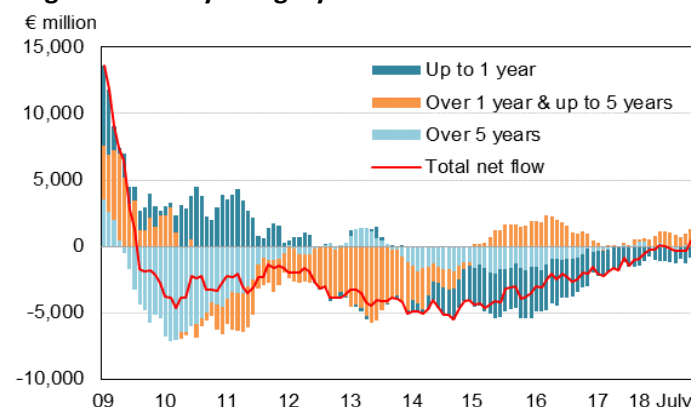
Developments in NFC credit and deposits

- **Net lending to non-financial corporations (NFCs)** increased by €108 million in July. On an annual basis, net lending increased by €427 million or 1.1 per cent.
- **Medium-term lending** to NFCs contributed the largest share of the annual increase, rising by €1.2 billion or 9.1 per cent in July (Chart 4). Long-term lending also contributed to headline growth, increasing by 0.3 per cent. Short-term lending continued to weigh on total NFC lending growth, declining by €842 million or 8.6 per cent.
- **NFC deposits** increased by €1.3 billion in net terms in July (Chart 5). All maturity categories, with the exception of the redeemable at notice category, rose in the month. Overnight deposits recorded the largest increase, rising by €975 million.
- On an annual basis, **NFC deposits** increased by €4.6 billion or 9.5 per cent. This continues the trend of annual growth in corporate deposits observed since December 2012.

Developments in other counterparty sectors

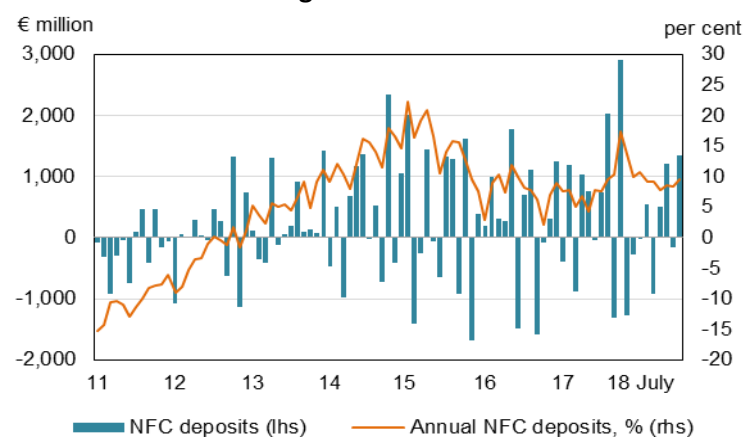
- **Total lending** declined by 0.8 per cent in the year to end-July, driven by an 8.3 per cent fall in loans to Monetary Financial Institutions (MFIs) (Chart 6). Lending to the private sector, which accounts for 76 per cent of banks' loan books, accelerated over the year to July increasing by 1.8 per cent, its fastest pace of growth since mid-2009.
- **Credit institutions' holdings of Irish-issued debt and equity securities** declined by €5.3 billion or 7.7 per cent in the year to end-July.
- **Irish-resident banks' borrowings from the Central Bank as part of Eurosystem monetary policy operations** was unchanged at €5.3 billion in July, with the domestic market group of banks accounting for 98 per cent of this.

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



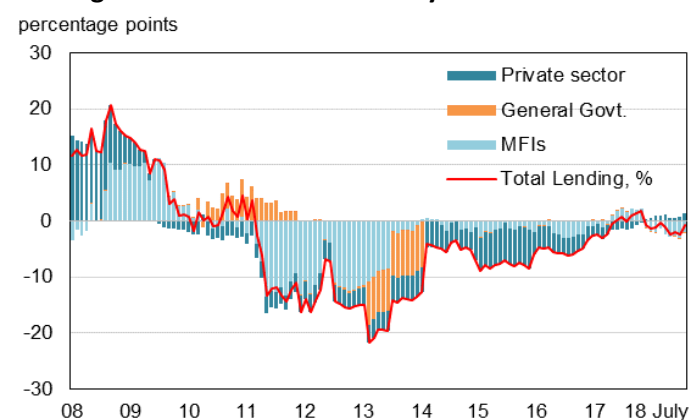
Source: Money and Banking [Table A.5](#)

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](#).

Note 2:

This measure of lending includes repayments on serviced loans which no longer appear on the balance sheet due to derecognition and transfer. See [Table A.6](#).

Keywords:

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