Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

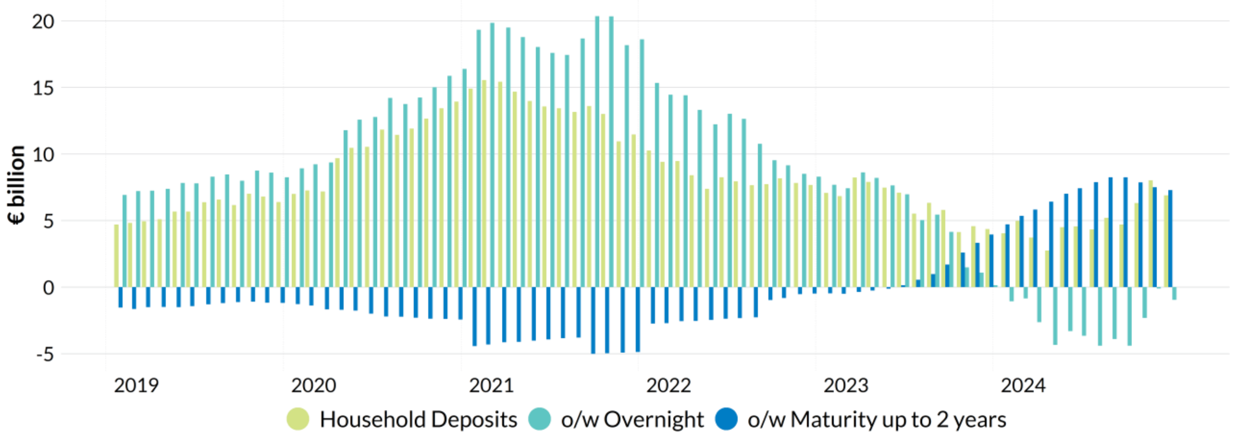
Money and Banking Statistical Release

December 2024

31 January 2025

Money and Banking Statistics

Highlights in December 2024



Source: Money and Banking Table A.11.1

- **Household deposits** increased by €6.9 billion, or 4.5 per cent, in the year to end-December 2024.
- This movement was driven by **deposits with an agreed maturity of up to 2 years**, which recorded a €7.3 billion increase in the period, while overnight deposits remained in negative territory, decreasing by €962 million in the year to end-December.
- While annual household deposits flows remain positive, driven by term deposits, the annual flows of deposits with an agreed maturity up to 2 years have slowed for the fourth month in a row after reaching its maximum pace of €8.3 billion in the year to end-August 2024.

Section 1: Loans to Households by Lending Purpose (excluding securitised loans)

Chart 1a – monthly flows

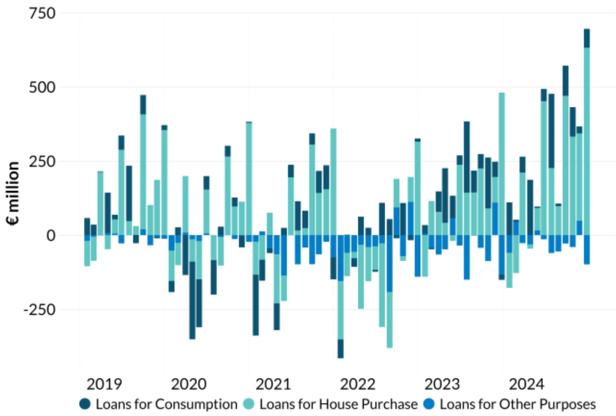
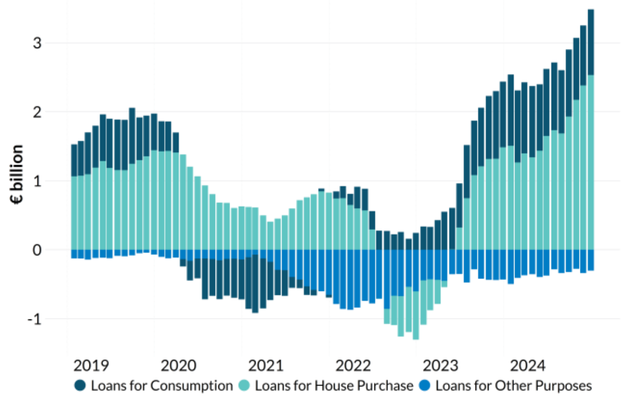


Chart 1b – annual flows



Source: Money and Banking Table A.1/Table A.5

Net lending to households was €597 million in December 2024 (*Chart 1a*). This movement was driven by **loans for house purchase**, with a positive contribution of €632 million in the month. **Loans for consumption** increased by €64 million in December 2024, which was offset by a €99 million outflow from **loans for other purposes**.

In annual terms, **net lending to households** increased by €3.2 billion, or 3.1 per cent, in the year to end-December 2024 (*Chart 1b*). This falls to 3 per cent after accounting for the impact of repayments on securitised loans. This movement was mostly driven by **loans for house purchase**, which recorded an annual flow of €2.5 billion in the period, and to a lower extent, by **loans for consumption**, with an annual flow of €952 million.

The annual change in loans for house purchase[1]**,** including on-balance sheet and securitised loans, was 2.9 per cent in the year to end-December 2024 (see Table A.6).

[1] See Note 4

Section 2: Deposits from Irish Resident Households by Maturity

Chart 2a – monthly flows

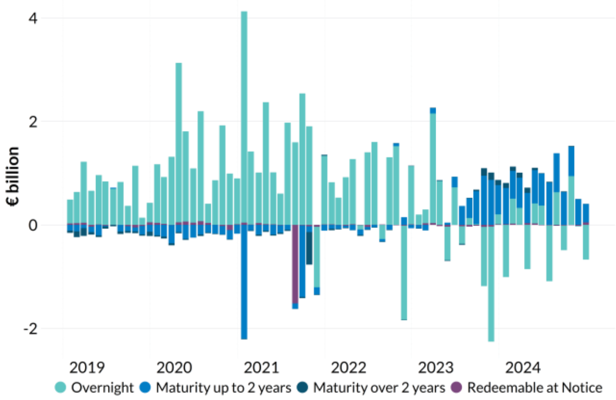
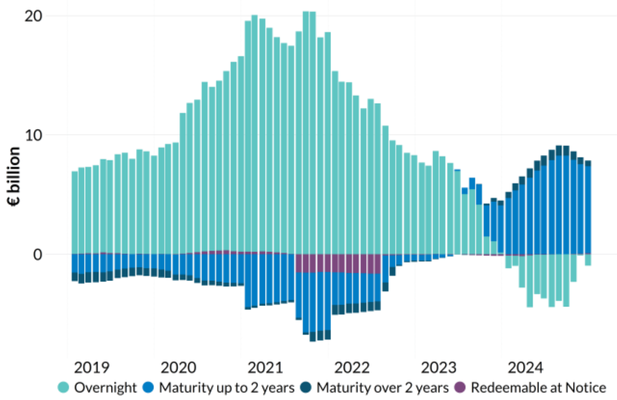


Chart 2b – annual flows



Source: Money and Banking Table A.11.1

Household deposits dropped by €264 million in December 2024 (*Chart 2a*) and stood at €159.3 billion at the end of the month. This was driven by a drop of **overnight deposits** in the month worth €671 million, only partially offset by a positive flow of **term deposits** worth €361 million.

On an annual basis, **household deposits** increased by €6.9 billion, or 4.5 per cent, driven by a €7.3 billion increase of **deposits with an agreed maturity up to 2 years** (*Chart 2b*). **Overnight deposits** dropped by €962 million in the year to end-December. This follows the smallest annual reduction in the previous month since flows in this category went into negative territory.

Section 3: Loans to Non-Financial Corporations (NFC) by Original Maturity

Chart 3a – monthly flows

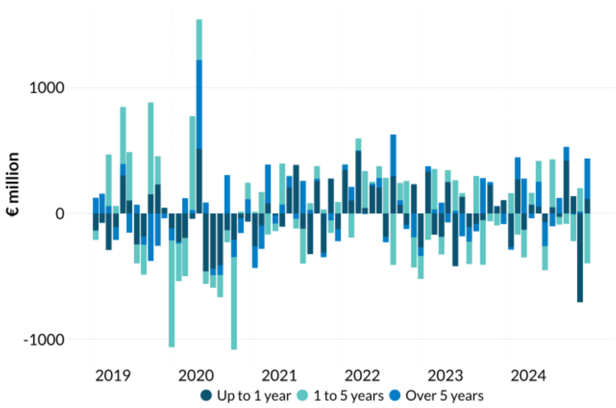
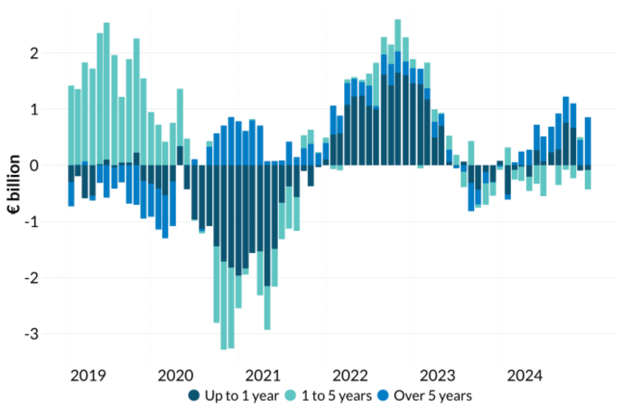


Chart 3b – annual flows



Source: Money and Banking Table A.5

Net lending to non-financial corporations (NFCs) turned positive in December 2024, recording an increase of €39 million in the month (*Chart 3a*). This was mostly driven by positive flows of **short** and **long-term loans** worth €115 million and €321 million, respectively, partially offset by a €396 million drop of **medium-term lending**.

On an annual basis, **NFC lending** increased by €425 million, or 1.4 per cent, in the year to end-December (*Chart 3b*). Long-term loans were the main driver, with an annual flow of €855 million in the year to end-December, partially offset by negative flows of **short** and **medium-term loans** worth €431 million in the period.

Section 4: Deposits from Non-Financial Corporations (NFC) by Maturity

Chart 4a – monthly flows

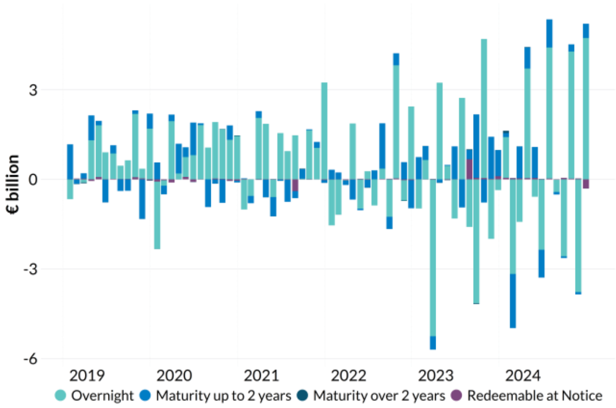
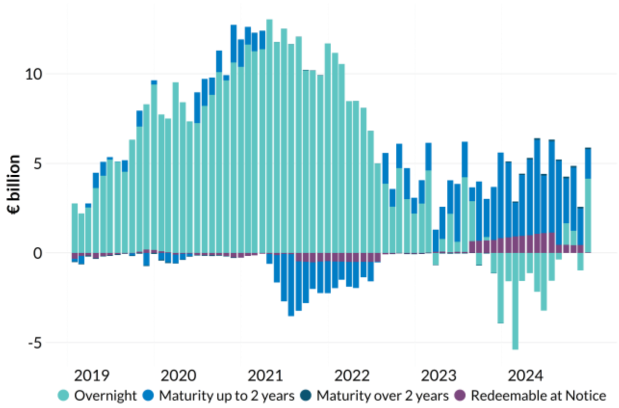


Chart 4b – annual flows



Source: Money and Banking Table A.11.1

NFC deposits increased by €4.9 billion in December 2024 (*Chart 4a*), driven almost entirely by **overnight deposits**, with a €4.7 billion rise.

In annual terms, **NFC deposits** increased by €5.9 billion in the year to end-December, which is the largest annual flow recorded in 2024 (*Chart 4b*). Even though all categories recorded a positive growth, this movement was mostly driven by **overnight deposits**, with a €4.1 billion contribution in the year to end-December, and to a lower extent, by a €1.6 billion flow from **deposits with a maturity of up to 2 years** on the same period.

Section 5: Bank Lending to the Irish Private Sector by Counterparty Sector

Chart 5a – monthly flows

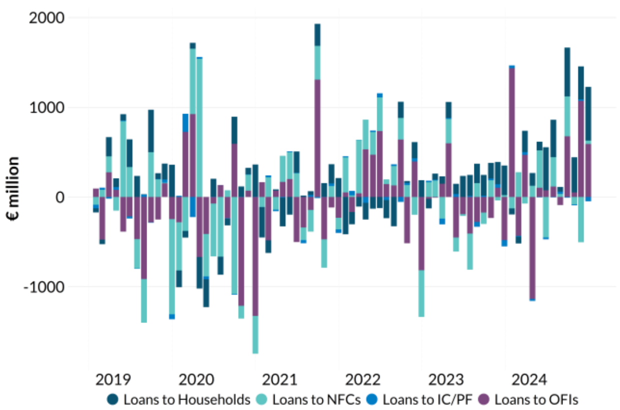
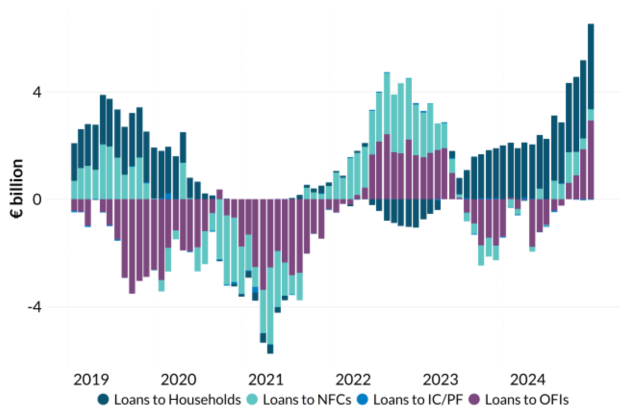


Chart 5b – annual flows



Source: Money and Banking Table A.5

Total bank lending flows to the Irish private sector were positive at €1.2 billion in December 2024 (*Chart 5a*), and the stock stood at €151.4 billion at the end of the period. This was driven by **loans to households** and to **other financial intermediaries (OFI)**[2], which contributed with positive flows during the month worth €597 million and €590 million, respectively.

In annual terms, **total bank lending** to the Irish private sector increased by €6.5 billion, or 4.5 per cent, in the year to end-December 2024 (*Chart 5b*). Similarly to monthly developments, these flows were mostly driven by **loans to households** and to **other financial intermediaries (OFI)**, with a contribution in the period of €3.2 billion and €2.9 billion, respectively. Regarding loans to **OFIs**, this represents the largest annual flow since it surpassed €3 billion threshold in October 2008.

As mentioned in the relevant section, annual flows of loans to **non-financial corporations (NFC)** remained positive at €425 million in the year to end-December, while lending to **insurance companies and pension funds (IC/PF)** dropped by €22 million in the period.

[2] A definition of OFI and other counterparty institutional sectors can be found in the *Money and Banking statistics Explanatory Note,* linked in Note 1

Further information

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, end-quarter months' data is affected by quarterly interest capitalisation, which increases balances in on-quarter months.

Note 3:

Convenience credit debt is defined as the credit granted at an interest rate of 0 per cent in the period between payment transaction(s) undertaken with the card during one billing cycle and the date at which debit balances from the specific billing cycle becomes due. Extended credit debt is defined as the credit granted after the due date(s) of the previous billing cycle(s) has/have passed, for which an interest rate is charged.

Note 4:

Treatment of securitised loans

As a result of an update to the ECB Regulation '*on the statistical reporting of balance sheet items of credit institutions and of the monetary financial institutions sector (recast) (ECB/2021/2)*', there have been changes to how certain securitised loans are required to be classified for the purposes of statistical reporting. The below treatment, allowed under the previous Regulation, is no longer permitted under the updated Regulation:

'MFIs (….) may be allowed by their NCB to exclude from the stocks (…) any loans disposed of by means of a securitisation in accordance with national practice (…)'

The removal of this clause means that banks are now required to report all previously excluded securitised balances within their on-balance sheet stocks of outstanding loans.

This has resulted in an increase in the on-balance sheet stock of house purchase loans in tables such as Table A.1 and Table A.4.

These securitised loans were already captured in Table A.6, which combined on-balance sheet and securitised loans since the series began in January 2003. This change does not impact on published transactions and growth rates for January 2022. As a result of this change, we will be discontinuing publication of confidential series within table A.6 in the future.

Note 5:

In March 2023 the outstanding amounts and transactions of domestic household deposits increased following the entry of a credit institution into the Irish market. Without this addition the household deposit growth in the year would have been lower still.

Statistical classification of sole proprietors

In line with their treatment in ESA 2010, the Central Bank is harmonising the treatment of sole proprietors by reporting agents across various datasets. This has resulted in a reclassification of loans and deposits from the NFC to the Household sector. These amendments have been made with respect to January 2022 reference data, with revisions to historical data to follow. Specifically, these changes mean an increase in loan and deposit balances reported against the household sector, and a decline in balances reported against the NFC sector. This change does not impact on published transactions and growth rates for January 2022.