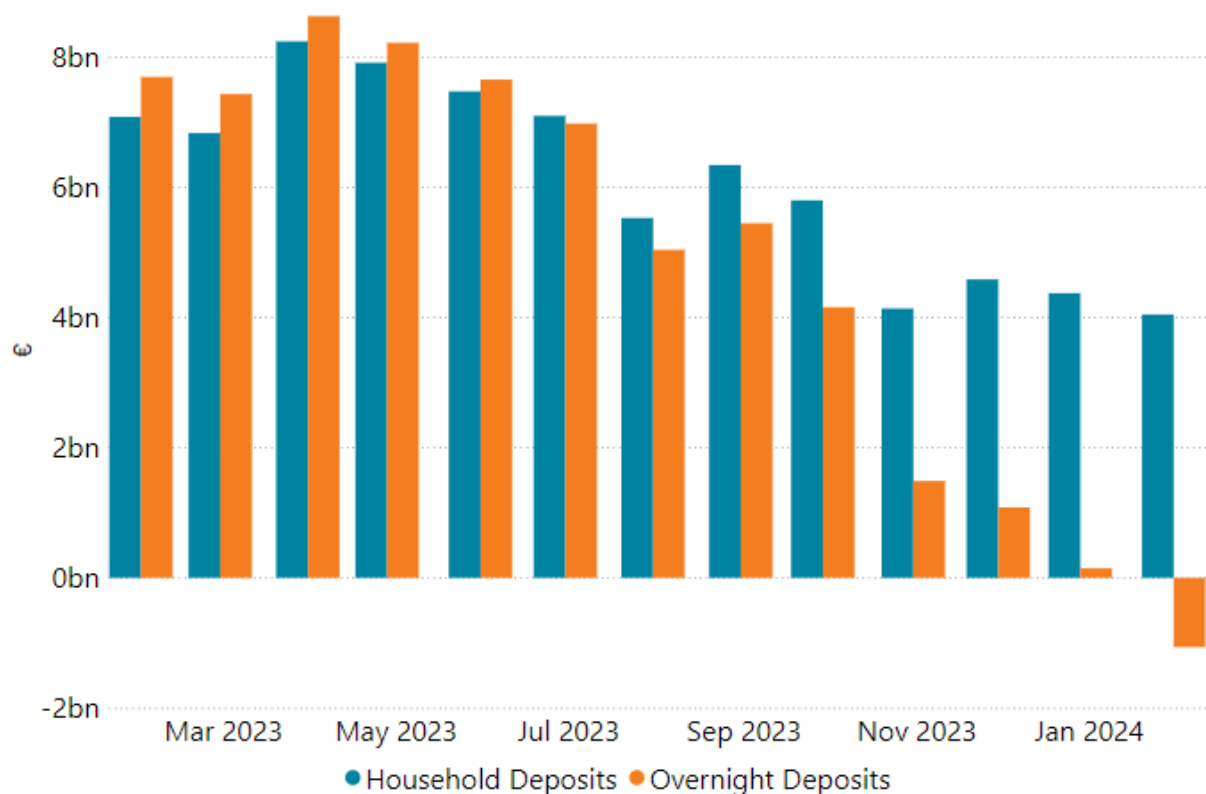




## ***Money and Banking Statistics<sup>1</sup> – January 2024***

The 12-month flow of overnight household deposits turned negative in the year to end-January 2024 for the first time since 2012, declining by €1.1 billion in the period. The annual growth in overall household deposits had been slowing consistently in recent months also, but remained positive. The decline in overnight deposits indicates an increasing preference of households for longer term deposits, and the associated higher interest rates available on these product types.

***The 12-month sum of transactions in overall and overnight household deposits sees the overnight figure show a negative. This is the first negative seen in the series since 2012.***



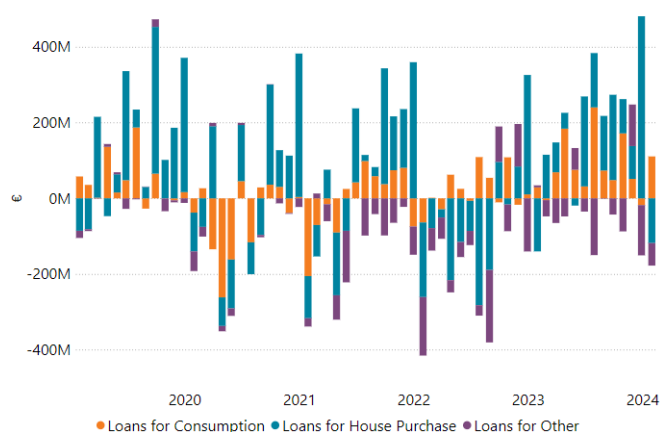
Source: Money and Banking [Table A.1](#)

<sup>1</sup> See notes on page 4.

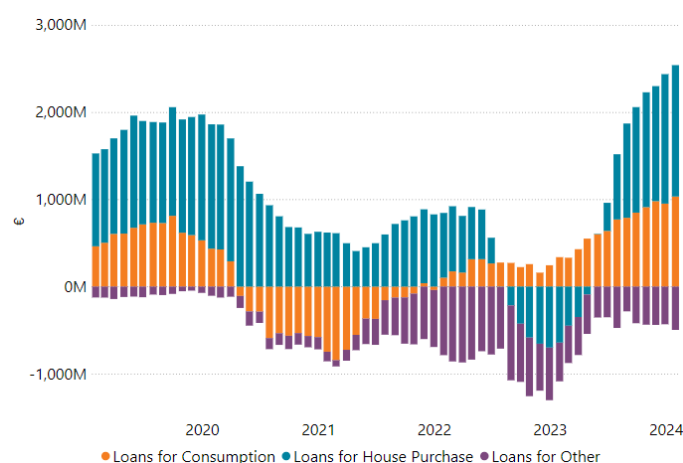
## Developments in Household credit and deposits

- **Net lending to households** was negative in January, at -€67 million. The only household loan types showing positive growth in the month were loans for the purpose of consumption where net lending in the month was €111 million (Chart 1). This was the first month of negative net household lending (excluding securitised loans) since January 2023. The annual growth rate of household loans was still positive however, at 2 per cent. When the impact of repayments on securitised loans are accounted for this growth rate falls to 1.9 per cent.
- **The annual change in loans for house purchase<sup>2</sup>**, including on-balance sheet and securitised loans, was 1.7 per cent in the 12 months to end-January 2024 (see [Table A.6](#)). This was the highest growth rate in the history of the series which has been published since 2015.
- **Net consumer lending** amounted to €111 million in January 2024. The 12-month flow of consumer loans was just over €1 billion. This was the first time that annual net consumer lending was greater than €1 billion since 2008.
- **Loans for other purposes** recorded net repayments of €59 million in the month of January.
- **Household deposits** stood at €153 billion at end-January 2024. Deposits declined by €199 million in January, partly reversing the €868 million increase seen in December 2023 (Chart 3). For the rolling 12 month period to the end of January, deposits grew by €4 billion or 2.7 per cent. This was the lowest annual growth rate of household deposits seen since January 2017.
- **Overnight household deposits** declined by €1 billion in January 2024 and by €1.1 billion over the past 12 months. Non-overnight deposit types grew by €810 million in January and by €5.1 billion over the past 12 months.

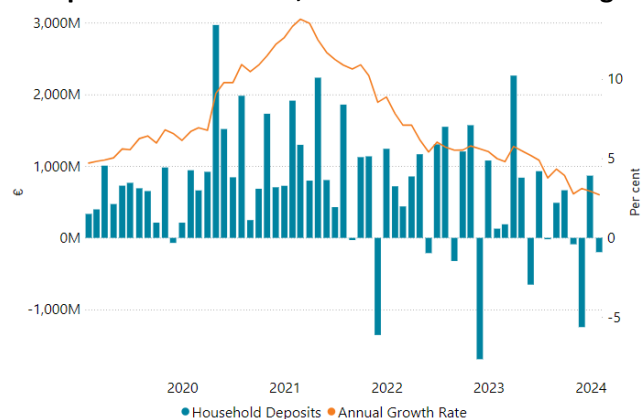
**Chart 1: Loans to Households (excluding securitised loans); developments in monthly net flows**



**Chart 2: Loans to Households (excluding securitised loans); developments in annual net flows**



**Chart 3: Deposits from Irish resident households; development in net flows, and annual rate of change**



<sup>2</sup> See Note 4

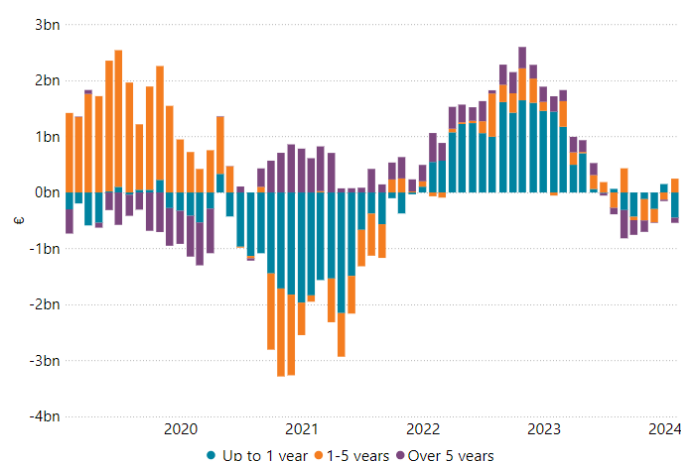
### Developments in NFC credit and deposits

- **Net lending to non-financial corporations (NFCs)** was negative in January, with repayments exceeding drawdowns by €127 million. Over the last 12 months, NFC lending was negative also, having declined by €295 million. This decrease was driven by declines particularly in short-term lending, but also in long-term lending, which were partly offset by growth in medium-term loans (Chart 4).
- **Deposits from NFCs** stood at €83.3 billion at end-January; there were net deposit inflows of €1.6 billion during the month (Chart 5). In annual terms, deposits from NFCs grew by 4.5 per cent.

### Developments in other counterparty sectors

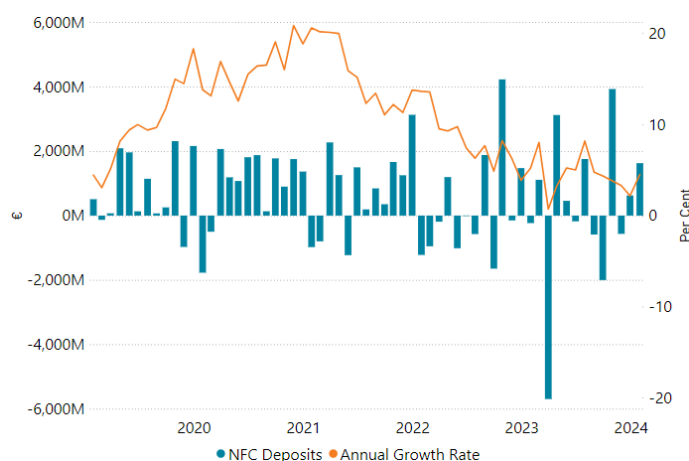
- **Total bank lending** to Irish resident sectors declined by 1 per cent in the 12 month period to end-January, continuing a general trend of decline in the series seen over the last number of months. Loans to the private sector increased by 1.2 per cent in the last 12 months however.
- **Banks' holdings of deposits** from the Irish resident private sector increased in January 2024, by €1.6 billion, continuing on from the €4.3 billion increase that was seen in December. Annually, the growth rate was 1.8 per cent.

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



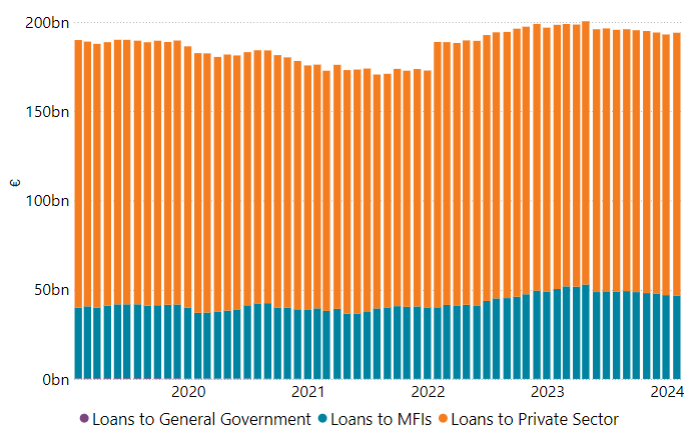
Source: Money and Banking [Table A.5](#)

**Chart 5: Deposits from NFCs; developments in net flows, and annual rate of change**



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

**Chart 6: Composition of Irish Bank Lending; Stocks**



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](#).

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.